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Central Eurasia

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NOTICE TO READERS:

Due to customer demand, FBIS plans to begin publishing statistical material from Russia and other independent states of the former Soviet Union in the FBIS Daily Report: Central Eurasia (FBIS-SOV series) as a weekly Supplement titled "Economic Review." Statistical material now appearing in the FBIS Report: Central Eurasia (FBIS-USR series), which has a smaller circulation, will temporarily be double-published in both reports through 28 September. Economic material which refers to policy issues rather than statistics will continue to be published in the FBIS-USR series, pending further review.

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Daily Report
Central Eurasia

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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ITAR-TASS Carries Press Review for 28 Sep

LD2809030094 Moscow ITAR-TASS in English 0054 GMT 28 Sep 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 28—Major Russian newspapers highlighted on Wednesday President Boris Yeltsin's speech to the UN General Assembly and his official visit to the United States.

"The president of Russia remains true to the tradition that goes back to the Soviet times when every speech delivered by Moscow leaders on international forums was marked by a new initiative in the sphere of disarmament. Judging by the foreign mass media reaction, the proposals announced by Yeltsin in New York city came as a surprise to western leaders," the newspaper IZVESTIA said.

"The Americans slightly feared that Boris Yeltsin will act like a cultured 'national patriot', while many countries of the former third world wanted to see how much the interpretation of Moscow's new course aimed at defending Russia's national interests would meet their hopes that Moscow would distance itself from Washington, the newspaper RABOCHAYA TRIBUNA said.

"Yeltsin's rather calm and pragmatic speech did not cause big friction, but gave America an opportunity to take a breath and encouraged the countries which have no strong relations of friendship with Washington to hope that from time to time they will be able to turn to Moscow for help, just like before," the newspaper said.

The daily also commented on Yeltsin's meeting with representatives of the American business community. "For the first time Yeltsin's calls to invest private capital in the Russian economy backed up by a thorough business analyses of its present state and prospects are beginning to drop in the beneficial soil," it said.

The military daily KRASNAYA ZVEZDA said that analysts and observers pay special attention to the Russian president's proposals to build a global security system. In particular, they praise his call to all five nuclear powers to take part in the reduction and limitation of nuclear weapons in order to sign an agreement on nuclear security and stability.

The newspaper ROSSIYSKAYA GAZETA pointed out that the Russian president's presence at the 49th session of the UN General Assembly has broken some of the UN traditions that have been maintained for decades. President Yeltsin addressed representatives of 184 nations right after U.S. President Bill Clinton's speech. "This caused confusion in the U.N. protocol department because there are no seats for heads of state in the assembly hall," the daily said.

The youth daily KOMSOMOLSKAYA PRAVDA published an exclusive interview with Russian Defence Minister Pavel Grachev who summed up the results of the first days of talks with his American counterpart William Perry.

"First of all, I plan to discuss the Partnership for Peace programme. I need to find out if this programme is an interim scheme allowing some countries to join NATO. If I receive a positive answer, then the Partnership for Peace becomes senseless for us and jeopardises the implementation of the agreement on conventional weapons in Europe... Additionally, in Washington we will discuss partnership on a bilateral basis more thoroughly. There is also a third aspect. Peacemaking and combined influence of Russia and the United States on the UN Security Council on such problems as the Nagorno-Karabakh, Abkhazian and Tajik conflicts," he said.

The newspaper NEZAVISIMAYA GAZETA published an article alleging that Yeltsin's spokesman Vyacheslav Kostikov will step down within the next two to three days. Although no personnel reshuffling in the presidential administration is scheduled for the near future, Kostikov's fate is determined. His successor has already been chosen. Most likely, Mrs. Pikhoya and Mr. Ryurikov will follow suit. Georgiy Satarov will remain, the newspaper said. "This information has been received from more than reliable sources in the Kremlin," it added.

Yegor Gaydar, leader of the Russia's Democratic Choice party speaks about the "Red autumn of 1993" in an article published by IZVESTIA. "After the Supreme Soviet openly ignored the will of the people to continue reform clearly expressed by the April referendum and rejected all attempts to find a reasonable compromise between two branches of power, the inevitability of such decision (suspend the Supreme Soviet, announce new elections and hold a referendum on the Constitution) became obvious," he said.

ROSSIYSKIYE VESTI published an interview with acting Constitutional Court Chairman Nikolay Vitruk who believes that "when the Constitutional Court really begins to solve cases, then one will be able to say that the formation of the judicial system is over and that the constitutional system has been established."

Reportage on Yeltsin U.S. Visit

Speaks at White House

LD2709190694 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 27 Sep 94

[Speech by President Boris Yeltsin at the White House in Washington, D.C. on 27 September—recorded; from the "Novosti" newscast]

[Text] I cordially welcome you and all Americans, on behalf of the Russian people. I can honestly say that the United States of America is a strong and at the same time a difficult partner, like Russia. I think that my colleague Bill Clinton will agree. This makes the joining of our countries' efforts even more interesting and even more significant.

The Russian and American presidents have to all intents and purposes already begun their dialogue. I am referring to yesterday's speeches in the hall of the United Nations General Assembly. I was very interested to hear your speech. It is easy to note that our thoughts and ideas are similar in many ways. This is understandable since we are of one mind in as much as we are both equally dedicated to the values of democracy and the ideals of freedom—we are both striving to provide worthy lives and a peaceful and safe future for the peoples of the earth, and we are both striving to remove all of the obstacles in the way of Russia and the United States cooperating on the basis of equal rights and mutual advantage in the interests of the peoples of our countries, and in the interests of the international community. These are all noble aims.

I attach great significance to the fact that Russia and America are prepared to seek together and to find solutions to the problems which exist, to develop jointly a mechanism for our relations aimed at the long-term, towards the 21st century. We can and must dynamically develop our cooperation, make it more effective in the economic sphere, and we must more actively coordinate our efforts in the international arena. I am profoundly convinced that this will benefit all the peoples in Russia, in the United States, and throughout the planet.

Some people in the world, in our country, are saying that my dialogue with Bill will be difficult and unproductive this time. I want to tell you—and via you all the American people and the international community—that our partnership will probably progress significantly thanks to these two days of talks.

Calls Clinton Talks 'Super-Frank'

LD2709214994 Moscow ITAR-TASS in English 2117 GMT 28 Sep 94

[By ITAR-TASS correspondents Lyudmila Alexandrova, Igor Barsukov, Vladimir Kikilo, Yuriy Sizov, and Vitaliy Chukseyev]

[Excerpts] Washington September 28 TASS—An official sun- splashed welcoming ceremony began this morning on the White House South lawn to greet Russian President Boris Yeltsin who came to the United States for negotiations with U.S. leader Bill Clinton.

The Russian and U.S. national anthems were played, and 21-salvo salute was fired. Boris Yeltsin accompanied by Bill Clinton received a report of the honor guard commander and reviewed the assembled honor guard. [passage omitted]

In his turn, the Russian president said:

"I am sincerely glad to be in America again. I am grateful to you, Mr President, for kind words you said to Russia, Russian citizens and myself. Citizens of my state also have good feelings and interest in the United States. On behalf of Russian citizens, I cordially greet you and all Americans in your person.

"The United States is a strong and uneasy partner, same as Russia. But I think my colleague Bill Clinton will agree that this makes our joint efforts more interesting and important.

"The dialogue of Russian and U.S. Presidents has begun. I mean yesterday's speech at the United Nations General Assembly. I studied your speech with great interest. One can easy notice that our thoughts and ideas have much in common. This is understandable. We are unanimous in our adherence to democratic valuables and ideals of freedom, in our striving for worthy life of peoples on earth, peaceful and safe future, in our efforts to eliminate all obstacles on the way of equal mutually beneficial cooperation of Russia and the United States in the interests of our peoples, in the interests of the whole international community.

"All these are noble goals. I think it is very important that Russia and the United States are ready to find ways to settle the problems, create a mechanism of our relations for a long prospect directed into the 21st century. We can and must dynamically develop our cooperation, make it more efficient in the economic sphere, more actively coordinate efforts on the international scene. I am sure that this will do good to all peoples of Russia, the United States and the whole planet.

"Russia values high your efforts and your contribution, Mr President, to the development of good relations between our states. I warmly remember your visit to Russia last winter, our later meetings and negotiations. They witnessed a high degree of mutual understanding and trust, and, certainly, were constructive. That is why, I am optimistic about the future of Russian-U.S. relations."

"We have two days for negotiations, meetings and conversations in Washington. Some say that this time our dialogue with Bill Clinton will be difficult and inefficient. I want to tell you, the American people and the international community that our partnership will considerably progress within these two days thanks to the negotiations.

"I want to thank you, Mr President and mrs Clinton, once again, I thank the military, thank all those present for cordial reception. Thank you," said the Russian president.

After the ceremony the presidents started negotiations.

U.S. President Bill Clinton told ITAR-TASS today before the beginning of negotiations with Russian leader Boris Yeltsin that he remembers very well his first meeting with the Russian president in June 1992 in Washington.

Clinton said that his good relations with Yeltsin started at that time. Back in June 1992 Clinton was ranking third according to the results of public opinion polls and was not sure he would become the U.S. President. He said it was very good of Yeltsin to receive him. Clinton said they have a wonderful partnership based on mutual respect to each other's interests, and they share common goals.

The first meeting of the Russian and U.S. Presidents lasted for almost three hours instead of the planned 30 minutes on Tuesday, September 27, at the White House right after the welcoming ceremony.

"Our conversation was frank, one can say super-frank," Russian President Boris Yeltsin told ITAR-TASS. "There were both pluses and and minuses, but we have reached compromises".

Head of the presidential press service Anatoliy Krasikov told ITAR-TASS that the meeting enabled the two leaders to analyze a broad range of issues of mutual interest.

The expanded negotiations were chaired by First Russian Vice- Premier Oleg Soskovets and U.S. Vice-President Albert Gore and discussed international issues, including the Bosnian problem.

Addresses World War II Veterans

LD2709220994 Moscow Radio Rossii Network in Russian 1900 GMT 27 Sep 94

[Excerpts] We have just received a report from Andrey Veduta, our special correspondent in Washington, about the first day of President Boris Yeltsin's stay in the United States.

[Veduta] [passage omitted] Following a meeting of the delegations, talks took place between the Russian president and U.S. Vice President Albert Gore. It was the latter who, jointly with Russian Prime Minister Viktor Chernomyrdin, properly got down to the implementation of major economic projects in developing oil and gas deposits in Sakhalin and of joint space and other projects. But what shows above all that our relations with the United States are not just ordinarily good relations between two countries, but relations between countries that are spiritually close and are former allies in the Great Fatherland War, is a meeting that has just taken place at the White House with Russian and U.S. veterans.

In reply to the good words addressed to Russian veterans, Boris Yeltsin said, inter alia:

[Begin Yeltsin recording] Dear veterans of World War II; Esteemed Mr. President; Ladies and Gentlemen: I was especially excited going to this meeting. Now that I have heard the President's speech, I am certain that he shares my sentiments. Half a century has passed since the day of the great victory. It came at a horrendous cost. Millions of our citizens did not return from the war. The day of victory will forever remain, as one Russian song goes, a festive day which brings tears to one's eyes. When our countries were fighting our common enemy, their goal was the same. All soldiers fought for the same cause—on the battlefields from the Transpolar region to North Africa; from the Arctic ice to the Atlantic and the Pacific Oceans. History and the people vividly remember our joint numerous military operations which brought closer the victory day of May 1945. They also remember the saturation bombing of Nazi positions by American pilots whose aircraft were filled with gasoline in Poltava. I also have in mind the North Sea convoy. As part of it, international crews of marine transport delivered aid to Russia [word indistinct] [end recording]

Yeltsin Spokesman Comments

LD2709225294 Moscow ITAR-TASS World Service in Russian 2120 GMT 27 Sep 94

[By ITAR-TASS correspondent Mikhail Mzareulov]

[Text] Washington, 28 Sep [date as received]—The Russo-American talks taking place within the framework of the visit to the United States by the president of the Russian Federation began in the White House in Washington. The talks started with a "one-on-one" meeting. An ITAR-TASS correspondent was told by Anatoliy Krasikov, head of the Russian Federation [RF] president's press service, that a thorough exchange of views on a wide range of international and bilateral issues took place in a frank and friendly atmosphere. The presidents observed with satisfaction that the strategic partnership of Russia and the United States— a key factor in strengthening world stability and security—was gathering momentum despite attempts by the opposition in both countries to throw into reverse the policy of cooperation worked out at previous summits.

The acute political struggle in our countries over the Russo-American partnership is a lesson that, in the presidents' view, indicates a need for the closest attention to matters relating to the development of cooperation by the top political leadership in Russia and the United States.

At Bill Clinton's request, President Boris Yeltsin talked about the progress of reform in Russia, noting the increasingly visible signs of stabilization and, in a number of sectors, of an economic upsurge. There is an improvement in the political climate, resulting from the signing of the Treaty on Public Accord. Bill Clinton confirmed the United States' intention of continuing to foster the transformations in Russia.

The first "one-on-one" meeting between the presidents of Russia and the United States lasted some three hours instead of the scheduled 30 minutes, the head of the RF president's press service pointed out.

The first round of plenary talks between the delegations of the Russian Federation and the United States took place on the same day.

The overall topic of the discussions was a survey of the situation in the world and the coordination of the two countries' approaches to the main issues in international politics.

A. Krasikov stressed that those attending the meeting observed with satisfaction that the lessons of the nine months that had elapsed since the Russo-American summit in Moscow confirmed the correctness of the choice in favor of a strategy of partnership between the two countries. The coordination of approaches between Russia and the United States has substantially broadened the opportunity for resolving even the most complex international problems.

The presidents agreed with the need to further strengthen Russo-American cooperation both on a bilateral basis and within the framework of international mechanisms—primarily, the UN Security Council.

Note was made of the particular importance of one of the realistic institutions for maintaining global stability—collective peacekeeping. The sides exchanged views and marked out the main ways of further enhancing the effectiveness and efficiency of operations conducted under the auspices of the United Nations, regional organizations, and interested countries in accordance with the approaches of Russia and the United States to most of the problems examined. The sides confirmed their mutual interest in cooperating with one another, with all interested sides, and with the international community to find ways of emerging from crises and of establishing and supporting peace, the head of the Russian president's press service pointed out in conclusion.

Soskovets on First Round of Talks

LD2709222294 Moscow ITAR-TASS World Service in Russian 2118 GMT 27 Sep 94

[By ITAR-TASS special correspondents Lyudmila Aleksandrova and Yuriy Sizov]

[Text] Washington, 27 Sep—The first round of Russian-American talks with an enlarged attendance was held in a friendly atmosphere and was mainly devoted to political problems. First Deputy Prime Minister Oleg Soskovets, who jointly chaired the session with U.S. Vice President Albert Gore, said this in an interview with an ITAR-TASS correspondent.

According to Soskovets, discussions were aimed at elucidating the political situation in Russia and in the entire post-Soviet territory—first and foremost, in the Baltic countries. The American side, he said, assessed highly the decision of the Russian leadership on the withdrawal of troops from Estonia and Latvia. Great attention was also paid to the problem of Nagorno-Karabakh.

The first deputy prime minister believes that "objectively one should not wait for any help from U.S. diplomacy" to settle conflicts on the territory of the former USSR. "They are restrained when it comes to possible aid, and they avoid these issues," he explained. In Soskovets' words, all the peacekeeping efforts aimed at settling conflicts in the Caucasus, Tajikistan, and other CIS regions "are borne by Russia and by the Russian economy."

The first deputy chairman of the Russian Federation Government reported that the American side was paying great attention to the conflict in Bosnia-Herzegovina during today's round of talks. "So far, we have not managed to find a formula to resolve this problem", he noted.

Yeltsin Aide Comments on Talks

LD2709220294 Moscow ITAR-TASS in English 2142 GMT 27 Sep 94

[Text] Washington 28 Sep [as received] (TASS)—The first one-on-one meeting between Russian President Boris Yeltsin and U.S. President Bill Clinton that lasted over two hours on Tuesday was held in the atmosphere of frankness and mutual understanding, Yeltsin's aide Viktor Ilyushin said.

In an interview with ITAR-TASS on Tuesday, Ilyushin said that the two presidents discussed trade and economic relations between Russia and the United States, including Russia's integration into the world's leading economic organisations.

"I have a feeling that Mr. Clinton did not expect changes in the economic sphere which are taking place in Russia now," Ilyushin said. In his view, this may radically change America's attitude toward Russia.

Yeltsin and Clinton also discussed the Jackson-Vanik amendment. The amendment which Ilyushin described as "notorious" was adopted by the Congress in 1974 and tied most favoured nation status for Moscow with free emigration from the former Soviet Union. "Since the congress cannot risk to solve the problem, (the presidents) discussed possible ways to improve economic partnership under these circumstances," he said.

Ilyushin said that the two presidents also touched upon the Bosnian conflict. They discussed President Yeltsin's proposal to hold a meeting of the leaders of Russia, the U.S., leading European countries which have direct influence on the warring sides and their leaders. The idea, which did not receive wholehearted support at first, was welcomed today. "I can say with certainty that there is no doubt that the sides are interested in the soonest possible settlement of the crisis in the former Yugoslavia," he added.

Assessing the first meeting of the two presidents, Ilyushin stressed that it would be wrong to speak about full coincidence of their positions. "Of course there are different points of view on different issues, but when people want to find a solution to problems, they can find common language. Today's round of talks was characterised by such atmosphere," he said.

Yeltsin Aide on 'Strategic Partnership' Stance

LD2709125494 Moscow ITAR-TASS in English 1206 GMT 27 Sep 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow September 27 TASS—Russia's initiatives which President Boris Yeltsin has presented to the U.N. General Assembly session will be discussed during his current official visit to the United States, presidential national security aide Yuriy Baturin told ITAR-TASS before leaving for the United States for attending the summit-level talks.

Baturin said the discussion will in particular address the reestablishment of a balance of strategic forces in Europe. The breakup of the Warsaw Bloc and Russian troops withdrawal from Germany and the Baltic states caused an imbalance in favour of NATO, Baturin said.

The presidential aide pointed out that "the time of NATO has ended with the cold war, and so the North Atlantic Alliance must change its mechanisms and goals with account for Russia's politico- military weight which is comparable with entire NATO's and which is manifold greater than potentials of many alliance's members."

This stance of the Russian president's national security aide may be interpreted as a cue to the forthcoming talks of Yeltsin and Clinton on the "strategic partnership of Russia and the United States," about which the Russian president had spoken at the U.N. General Assembly session.

According to Baturin, to set the European balance of strategic forces requires a greater attention to reforming the mechanisms of the Conference on Security and Cooperation in Europe (CSCE).

"Expansion of the CSCE system over Asia and incorporation of numerous treaty members, many of whom are waging war into the CSCE structure, dilutes the CSCE," Baturin said.

The presidential aide thinks "a combination of NATO and the CSCE might give rise to a new European security mechanism, of which the CSCE would be a politico-diplomatic part and NATO's bodies a military part."

Grachev Assesses U.S. Talks

MM2709185394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Sep 94 pp 1,7

[Report by Sergey Ivanov and Oleg Shevtsov containing "exclusive" interview with Defense Minister Pavel Grachev under the rubric "What People Are Talking About": "He Left the United Nations Spellbound"]

[Excerpt] New York, Washington—[passage omitted] At the same time as President Yeltsin's meeting with the captains of American big business, talks were being held between the U.S. Defense Secretary and the Russian defense minister. After the talks, Pavel Grachev gave KOMSOMOLSKAYA PRAVDA an exclusive interview on the results of the first day:

[Grachev] William Perry and I discussed the results of the first joint exercises at Totsk and we also agreed that in a month our expert groups will meet and begin working on the details, timing, personnel, and theme of the next exercises scheduled for next year on U.S. territory.

[KOMSOMOLSKAYA PRAVDA] On the eve of the visit President Clinton and Secretary Perry made some highly important statements. Was that fact discussed on any one of the talks?

[Grachev] Yes, of course. At the beginning of the conversation I quoted Perry's own words that Russia is lagging behind in questions of reducing our nuclear arms. I think that I convinced him that on strategic offensive arms, submarine-launched missiles, and ground-launched ICBM's we are a long way ahead. The fact that they have "outpaced" us on heavy bombers is another matter.

The most important question was this: I asked my colleague to comment on the gist of President Clinton's speech on the new U.S. nuclear strategy. I said to him bluntly: If I had to assess the U.S. President's speech, it would seem to me that it was almost a step backward in our relations. It was like a "cold wind" blowing. He tried to reassure me and provided clarifications.

[KOMSOMOLSKAYA PRAVDA] In that case what, in your view, is the thrust of the new U.S. nuclear strategy?

[Grachev] It consists in the unconditional fulfillment of the START-I and START-II strategic offensive weapons reduction treaties.

The second new feature is the ensuring of our countries' nuclear security not just by means of the U.S. and Russian armed forces but also the relevant ministries in this field: the Ministry of Atomic Energy, for our part, and the Department of Energy for theirs. Control [kontrol] of fissionable materials is to be conducted jointly.

According to them, the third aspect in their new nuclear strategy, although it is hard to call it a strategy, is that until START-I and START-II are ratified there can be no question of a START-III treaty. Those are the three new aspects; that was all that they told me.

On the use of nuclear weapons they likened their military doctrine to ours. The U.S. doctrine is that the state is entitled to use strategic nuclear weapons against any aggressor and tactical nuclear weapons for protection on its own territory. They choose the method of repulsing the enemy. That is approximately the same as our doctrine.

[KOMSOMOLSKAYA PRAVDA] You will be meeting again in Washington. What do you plan to discuss there?

[Grachev] First, I plan to discuss "Partnership for Peace." I have to ascertain whether this program is an intermediate stage for certain states to gain membership of NATO, and if I receive an affirmative answer then Partnership for Peace will lose its meaning for us and will jeopardize our fulfillment of the CFE Treaty, especially with regard to the flank restrictions. If more states join NATO, its arms and hardware will increase, even with the SALT-I reductions. That is why we will be entitled to refrain unilaterally from fulfilling those commitments, because we are isolated.

In addition, questions of bilateral partnership will be discussed more extensively in Washington.

Point three: peacemaking activity and the joint influence of the United States and Russia on the UN Security Council on the problems of such "hot spots" as Nagorno-Karabakh, Abkhazia, and Tajikistan. Because so far the West has shut its eyes to those problems, calling them Russia's internal affair. We see no support or aid from the United Nations. We will also talk about biological, chemical, and laser weapons—inhuman weapons.

On the whole we proceed from the difference in the geopolitical and geostrategic position of Russia and the United States. Our operational-tactical weapons present no threat to America. But in view of our security concept we will retain those weapons. He seemed to understand me.

In Washington, of course, questions pertaining to ABM defense will be raised and we will discuss Haiti and Bosnia.

So the dialogue in Washington is not just a matter of harmony. It is an exchange of opinions which do not always coincide. For example, at the present meeting Russia raised the question of the need to lift the sanctions on Iraq, justly explaining to the Americans that the $6.5 billion that Iraq owes Russia are not a trifle which can be forgotten given our present economic situation.

Incidentally, White House boss Bill Clinton himself also made a number of statements in the run-up to the summit in which he pledged, for example, that at the talks with Yeltsin he would discuss the problem of the normalization of Russia's relations with... Japan. In principle the Americans, who are linked to Tokyo by the Security Treaty, are bound to be concerned by the fact that postwar problems in the Pacific remain unresolved—after all, if those problems are aggravated the Americans, too, will have to help sort them out. Nevertheless, the tone and timing of these statements suggest that Bill Clinton is also to a certain extent a hostage to the conservative sentiments of a section of his own American political establishment.

In addition to our journalists and the president's bodyguard, the specially equipped lead aircraft carrying the Russian delegation to Washington also carried U.S. security service people. Looking very impressive with guns and radios protruding from under their jackets, the Americans quietly took their seats in the plane among the familiar and equally imposing Russian colleagues and sipped beer together before the serious work began. This really is an example of working and relaxing together.

Moscow Seen Unready for Pending U.S. Disarmament Ideas

MK2709102094 Moscow SEGODNYA in Russian 27 Sep 94 p 1

[Report by Pavel Felgengauer in the "Visit" column: "The Containment of Nuclear Disarmament. The Military Aspects of Yeltsin's Trip to America"]

[Text] In early September it was believed in Moscow that there would be no special military aspects of the Russian president's official visit to Washington. On 13 September Defense Minister Pavel Grachev stated in Nizhniy Novgorod that he would not go to the United States with the president, leaving the Defense Ministry to be represented by a deputy chief of the General Staff, General Barynkin.

Within just a few weeks, however, everything had changed, and Gen. Grachev, as well as Yuriy Baturin, is now in Washington. It turned out that the Americans are preparing a number of serious disarmament initiatives. In particular it will be officially proposed that START III negotiations be started without waiting for START II to be ratified, which the Americans themselves reported in the press; they will apparently propose that tactical nuclear weapons be fully renounced; express their wishes about "adjustments" being introduced into the ABM Treaty, and so forth.

In Moscow, a slight panic began in the Defense Ministry, the General Staff, the presidential apparatus, and other relevant bodies. The fact is that the years of perestroyka and new thinking have so changed the balance of forces in the world that now the United States no longer needs nuclear deterrence. The U.S. Army is strong enough to "reach" any enemy in any part of the world with conventional means. U.S. nuclear weapons today restrain only Russian (formerly Soviet) nuclear weapons, and nothing else.

The roles have fully reversed since the time when Western capitals supposed that only thousands of U.S. nuclear charges were preventing Soviet tanks from moving in toward La Manche. Washington is interested in reducing Russian nuclear weapons to zero as soon as possible and therefore finally to abolish the threat to the North American continent.

But to Russia, nuclear deterrence in the next few years will be the only serious guarantee of national security. We have no money for a modern battle worthy army of 2 million people. Neither may there be enough even for an army of 1.5 million. The country has no firmly established borders. The Caucasus and Central Asia are ready theaters of large-scale local conflicts. In the United States, Zbigniew Brzezinski, Henry Kissinger, and many other highly influential people are increasingly calling for active resistance to "Russian neo-imperialism." Today only the domestic nuclear potential guarantees that "roll-back of neo-imperialism" has thus far not become Washington's official policy.

Russia's economic links with the United States are minimal, unlike with China; we have no lobby of our own in Congress: The scaling down of relations will not lead to job losses. Sanctions could be announced any moment, on any cause, even the slightest: just like in August, in connection with the pullout of troops from Estonia (a spy scandal, activity by the "Russia mafia," or nuclear, or conventional mafia, and so forth).

In principle, Russia is interested in nuclear disarmament, but in the next 20 years, just like the "small" nuclear powers (Britain, France, and China), it will hold on to the nuclear "umbrella." Presidents Yeltsin and Clinton will this week exchange loud peace initiatives, just like their predecessors in the best years of new thinking. Meanwhile, however, broad interdepartmental agreement has taken shape in Moscow that everything should be "frozen" at the level of general, unbinding, declarations.

Foreign Ministry Comments on Yeltsin UN Address

LD2709182794 Moscow ITAR-TASS in English 1756 GMT 27 GMT 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow 27 Sep (TASS)—The first speech of the Russian president at the United Nations General Assembly confirms the Russian determination to actively help building of the new post-bloc world, an official representative of the Russian Foreign Ministry said here today.

The initiatives put forward by Boris Yeltsin concentrate on key aspects of consolidation of international security. The idea of a treaty on nuclear safety and strategic stability to be developed by the five nuclear powers was taken by the majority of delegations as important and ripened. This set of initiatives is interrelated with the corresponding section of the speech of the US President.

The appeal to developed democracies to abandon double standards in the sphere of human rights and measures against aggressive nationalism is exclusively important, said the ministry's representative. The Russian readiness to oppose any forms of this vicious policy - from tribal feud to anti-semitism - testifies to its universal approach to the problem of human rights, he said.

The representative called attention to the idea to boost the activities of the U.N. military staff committee which includes the involvement in committee activities of other influential states in addition to the five nuclear nations in accordance with the U.N. Charter.

In the opinion of the Russian Foreign Ministry, the idea of three-layer mechanisms to settle problems (at the national, regional and global levels) with the U.N. key role in international affairs provoked positive reaction.

On the whole, Yeltsin's speech proves the russian adherence to basic principles of the U.N. charter, consolidation of this organization and its increased contribution to the solution of major problems faced by mankind, said the representative. Certainly, the speech of the Russian president will influence the political discussion at the session of the United Nations General Assembly, he added.

Panov on Expanding UN Security Council

LD2809093494 Moscow ITAR-TASS World Service in Russian 0800 GMT 28 Sep 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow, 28 Sep—Moscow's overall position on expanding the UN Security Council [UNSC] is that the principles on which this should be done ought to be determined first, and only then should specific candidates be discussed, Aleksandr Panov, deputy minister of foreign affairs of Russia, said in an interview for the ITAR-TASS correspondent.

Asked whether he believed Japan and Germany were strong candidates to join the club of permanent members of the Security Council, which at present includes only the nuclear powers—Russia, the United States, Britain, France, and China, the diplomat replied: I do not believe one should put the question that way—some may be stronger, others may be weaker. But why should India, Indonesia, or Egypt be regarded as weaker?

We are examining all the candidates and are not rejecting any of them as candidates, Panov said. But, he stressed, first of all one needs to decide in principle on what basis the Security Council should be expanded, what its powers should be, and to devise the appropriate criteria and reach a consensus.

Yohei Kono, Japanese minister of foreign affairs [name and title as heard], speaking in New York at the UN General Assembly session on Tuesday, openly stated that Japan is willing, with the approval of many countries, to fulfill the obligations of a permanent member of the Security Council. Panov said that this matter could be discussed at the forthcoming meeting in New York between Russian Foreign Minister Andrey Kozyrev and Yohei Kono, if it is brought up by the Japanese side.

Results of Yeltsin-Major Summit Viewed

MM2809091794 Moscow IZVESTIYA in Russian 27 Sep 94 p 3

[Report by Aleksandr Shalnev: "Russian-British Summit Picnic Was So Successful That It Passed Unnoticed by the Public"]

[Text] London—Boris Yeltsin and John Major both acknowledged that a couple of years ago such a meeting would have been simply inconceivable: The level of relations between Russia and Britain and between their leaders was not right.

The talks were held not at a table covered by a green cloth but mainly during walks on the green lawns of the park at Chequers, the country residence of British premiers, where Yeltsin was the first Russian leader to set foot, and continued even in the local pub, which the premier and the president dropped into by way of getting acquainted with British traditions and which they left half an hour later, without even finishing their beer. They preferred to talk, as a British official put it, "without their apparatchiks," one-on-one. They did not agree on communiques or ratify any accords with their signatures. The premier and the president mainly talked about not bilateral relations but about what is going on in the world, in Russia, and in its nearest foreign countries.

According to informed sources, Major intends to visit Kiev soon in order to ascertain specifically what kind of aid Britain can give Kuchma. London's interest in supporting the new Ukrainian president is apparently the direct result of the explanations that Yeltsin gave to Major about the situation in Ukraine and regarding Moscow's own plans to strengthen political and economic ties with Kiev. It is noteworthy that it was in London that Yeltsin announced his visit to Ukraine in November and the conclusion of a full-scale political treaty with Kiev.

Although both leaders publicly expressed complete satisfaction with the results of the visit, which Major said "was very useful and also gave us a chance to enjoy ourselves," the differences in the positions of Moscow and London on certain questions were not eliminated. This primarily applies to the question of "European architecture," or to be precise the question of who should have the priority role in Europe: the CSCE, as Moscow insists, or NATO, which is what Britain wants.

By all accounts a formula for solving the "Caspian problem" that would satisfy both sides was not found. Some days ago Britain, one of whose largest corporations is British Petroleum, and a number of other firms concluded an agreement with Azerbaijan on the development of oil fields which is astronomical in terms of the sum of investment and its potential. Russia is not happy about this agreement. The threat of losing billions of dollars of profit if the agreement is wrecked by Moscow, moreover in a situation whereby investment conditions in Russia itself are extremely far from attractive from the viewpoint of British businessmen, is forcing Britain to be tough.

The aloofness of Major and Yeltsin from apparatchiks and the press had its pluses—full and frank discussions—as well as its minuses: Yeltsin's lightning visit attracted extremely restrained attention from journalists. He was placed virtually at the end of evening news programs on British television.

The visit did not pass off without some curious incidents: It is said that, during a concert which a youth opera group was giving in honor of the distinguished Russian guest, Norma Major, the premier's wife, was suddenly forced to leave the hall. At the very moment when the aria from "Yevgeniy Onegin" began "Where, oh where did you go?" The aria was performed in Russian.

Major and Yeltsin descended on the pub after it had closed. "Someone knocked on the window," recounts the landlord of the pub, whose emblem is, by coincidence—quite accidental coincidence, it is understood—a bear, "and when I looked out I almost fell over: It was the Russian president." No matter how proud the landlord was to have such clients, he still took money for the beer from the premier and president and did not give them it on the house, philosophically remarking: "I have got to earn a living."

Shokhin Meets With UK Economic Officials

LD2709224794 Moscow Mayak Radio Network in Russian 1530 GMT 27 Sep 94

[Text] Our correspondent Aleksandr Malikov now reports from London.

[Malikov] Investments and trade between Moscow and London, while not dominating in the talks during the recent visit of President Yeltsin to Great Britain, were given worthy attention. The leaders of the two countries instructed the ministers to get the long-stalled problem of trade credits off the ground.

These problems were dealt with hot on the heels of the visit, by Deputy Prime Minister Aleksandr Shokhin and Michael Heseltine, president of the Board of Trade of Great Britain.

In literally a couple of days they managed to reach agreement on putting to use nearly a half of the 800 million credits guaranteed by the Government of Great Britain which had become kind of leprous. For various reasons, neither side had been able to touch them for a long time.

At a news conference at the Russian Embassy in London Aleksandr Shokhin noted that now it was realistic to talk about the participation of the British side in the modernization of Moscow city telephone network and the appearance in the not too distant future of British lamps on the streets of the capital and in the long term life can be relaxed by projects for development of the tobacco industry and motor vehicles. True, a number of major projects are dependent on certain conditions—for instance it turns out that no one had calculated the details of how Russia will pay for the credits for the building of an international terminal at Domodedovo airport. The British thought it would be by means of an air corridor but Aeroflot turned out to have its own point of view on this. Nevertheless, the deputy prime minister is modestly optimistic in his assessments.

Yeltsin To Meet Reynolds During Ireland Stopover

LD2709165094 Moscow ITAR-TASS in English 1546 GMT 27 Sep 94

[Text] Moscow September 27 ITAR-TASS—Russian President Boris Yeltsin will make a stopover in Ireland's Shannon airport on his way home from the United States, a Russian Foreign Ministry official told a briefing today. Yeltsin will have a working meeting with Irish Prime Minister Albert Reynolds at the airport.

DPRK Said To Favor Russian Nuclear Reactors

LD2709124994 Moscow INTERFAX in English 1203 GMT 27 Sep 94

[Text] "North Korea is interested in obtaining Russian reactors," Russia's Deputy Foreign Minister Aleksandr Panov, who visited Pyongyang a few days ago on commission from President Yeltsin, told INTERFAX on Tuesday. He denied reports that North Korea, which is replacing its graphite-moderated reactors with light-water ones, prefers any reactors to Russian ones.

He said that North Korea was well acquainted with Russian technology and specialists. "But there are financial problems and the position of the U.S. which would like North Korea to use South Korean reactors built by American license which must be taken into account," he said.

In Pyongyang Panov held talks with the Number Two in the North Korean leadership, member of the Politburo of the Working Party of Korea and Foreign Minister Kim Yeng-nam. He said that for a number of political and ideological reasons, North Korea opposed the idea of replacing its reactors with South Korean ones.

Asked if this is likely to cause a conflict between Russian and U.S. interests on the Korean Peninsula, Panov said that there might be an element of sound competition in all this, because any country would like to participate in a project worth about $4 billion. Much will depend on the Russian producers who will have to properly demonstrate their products.

Panov passed to the North Korean leadership Boris Yeltsin's message which says that Russia is interested in good neighborly and fruitful cooperation with North Korea and is ready to help it replace graphite reactors with light-water ones.

Panov believes that there is a solid basis for this. "There is a frozen agreement on the construction of a nuclear power plant in North Korea with Russia's assistance. Before the agreement was frozen, Russian experts had drawn a feasibility study and chose a construction site, so the implementation of the project will not have to be started from scratch," he said.

Panov said "the talks in Pyongyang were successful. I was told that despite ideological and social differences, North Korea is ready to maintain friendly and diversified relations with Russia, broaden the political dialogue and build up the legal foundations, taking due account of Russia's interests on the Korean Peninsula."

Panov stated that the talks did not deal with the problem of the Soviet - North Korean treaty of friendship, cooperation and mutual assistance, which was signed in 1961 for a term of 20 years with subsequent prolongation.

The side which withdraws from the treaty must notify the other side a year before the expiration of the treaty, said Panov. "In other words, we have a year at our disposal to settle all problems," he added.

He also said that the provision on military aid to Pyongyang can only be implemented if North Korea became a target of non-provoked aggression. The nature of aggression is to be determined by Moscow.

Light Water Reactors Reportedly Sought

LD2709223294 Moscow ITAR-TASS in English 1653 GMT 27 Sep 94

[Text] Moscow September 27 ITAR-TASS—North Korea is to decide which light water reactors is wants for modernising its nuclear programme, and it has expressed interest just in Russian- made reactors, Russian Foreign Ministry official Valentin Moiseyev said today, commenting on a recent visit of the Russian president's special envoy Aleksandr Panov to North Korea. However, Moiseyev added, technical aspects of the matter have not been discussed by the two countries so far.

The two sides were content with results of the envoy's visit. North Korea sees Russia as a friendly nation, and is ready for a joint search of new forms of cooperation and reestablishment of political and economic relations which have frayed in the recent years.

Pyongyang was especially pleased with Boris Yeltsin's message to North Korean leader Kim Chong-il which stated Russia's readiness for broader relations and for assisting North Korea in pursuing its nuclear programme.

Moiseyev said deliveries of Russian-made weapons to North Korea "have not been mentioned or discussed" in Pyongyang. The Russian diplomat said controversy-stirring issues concerning the legal status of Korean workers at Siberian logging sites "have been completely resolved."

Ministry Denies Tokyo Talks on Arms, Military Production

LD2709202594 Moscow INTERFAX in English 1454 GMT 27 Sep 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] The Russian Foreign Ministry's Spokesman Mikhail Demurin denied that the Russian party was negotiating with Japan on preventing illegal export of armaments and military production in Tokyo. He said that bilateral consultations on control over exports were being held in Tokyo on September 26-30.

Demurin said the consultations were being held in order to exchange information on the situation with the systems for control over export and dual-application technology and to discuss international regimes of control over export.

Deputy Minister on Japanese Fishing Agreement

LD2709214094 Moscow ITAR-TASS in English 1612 GMT 27 Sep 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo 27 Sep (TASS)— Moscow cannot agree with some provisions of the Tokyo draft bilateral agreement on paid Japanese fishing in the area of Southern Kurils, but the Russian side is sure a compromise can be reached, Deputy Russian Foreign Minister Boris Kolokolov told ITAR-TASS today.

Kolokolov is a personal representative of the Russian premier at the current sixth meeting of representatives of the Far Eastern administrations and public and the Japanese Hokkaido prefecture (?in Sapporo.) The meeting is attended by delegates of 14 Russian [word indistinct] (?territories) and regions.

Kolokolov confirmed the on-going unofficial Russian-Japanese consultations to discuss an agreement on commercial fishing off shore Southern Kurils. The agreement is expected to ensure safe fishing in the area.

Before the consultations the Japanese Government had several- months-long discussions. It feared that the agreement may undermine Tokyo stand in the territorial dispute with Russia. Although the common sense has won, Moscow can hardly agree with the draft which almost does not take into account Russian economic interests.

"The Tokyo draft includes some elements that do not take into account Russian economic interests. But it is quite natural that the sides have certain differences at the first stage of consultations. They will, certainly, be overcome in future," said Kolokolov.

The deputy minister did not exclude the agreement may be signed during the Japanese visit of first Russian Vice-Premier Oleg Soskovets scheduled for November. "The time of agreement signing is not so important. A reliable document to fully account interests of the sides is what is significant," stressed Kolokolov.

Speaking of the Sapporo meeting that opened on Monday, Kolokolov said Russia attaches great importance to the expansion and acceleration of trade, economic, cultural and scientific relations with Japan at the regional level. This is the essence of a message sent to the forum participants by Russian Prime Minister Viktor Chernomyrdin. The message expresses the assurance that direct cooperation between far eastern regions and Hokkaido will be consolidated.

The first meeting of representatives of the Russian Far East and Hokkaido was held in Russia ten years ago. The seventh meeting of the sort will be held in two years in Vladivostok, said Kolokolov.

Foreign Ministry Denies Involvement in Baku Oil Deal

LD2709201594 Moscow INTERFAX in English 1454 GMT 27 Sep 94

[From the "Diplomatic Panorama" feature: Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] The statement by the spokesman for the Russian Fuel and Energy Ministry Aleksandr Degtyarev alleging that the Russian Foreign Ministry took part in the talks on signing the Baku contract "is not true to fact", said in Moscow on Tuesday the Russian Foreign Ministry's spokesman Mikhail Demurin.

Recently Azerbaijan and the international consortium of which the Russian company Lukoil is a member, signed a contract in Baku for the development of oil fields in the Caspian Sea. This caused a negative reaction of the Russian Foreign Ministry which said that Moscow will not recognize the agreement "with all ensuing consequences".

Demurin said that the Russian Foreign Ministry knew about the contract. We repeatedly drew the attention of the parties concerned in Moscow and in the relevant capitals to the need to respect the existing legal regimen of the Caspian Sea, he said.

This meant, said Demurin, that the contract like other similar actions should be coordinated with all Caspian states. The essence of the existing legal regimen is to prevent one- sided actions in the Caspian Sea which affect the rights and interests of other coastal countries. The Caspian Sea and its resources are the object of joint use of all coastal states, he said.

Demurin said that this concept is in the basis of the agreement on regional cooperation in the Caspian Sea, whose draft is being coordinated at the meetings of representatives of all Caspian states. If it is possible to sign the agreement, it will be the legal basis enabling us to solve painlessly the problems which emerged today in terms of the signing of the contract in Baku, said Demurin.

Committee on Caspian Shelf Development Set Up

LD2709131194 Moscow ITAR-TASS in English 1200 GMT 27 Sep 94

[By ITAR-TASS correspondent Igor Ivantsov]

[Text] Moscow September 27 TASS—"A coordination committee for supervising the development of the Caspian Shelf will reckon with the interests of all the littoral states. It may eventually turn into a permanent international body," ITAR-TASS was told at the Russian Ministry for Fuel and Energetics.

It is pertinent to note that the suggestion to set up such a body was voiced by Yuriy Shafranik, Russian minister for fuel and energetics, immediately after the Russian Foreign Ministry's statement that it could not recognise the agreement on the development of Caspian offshore deposits, signed by an international oil consortium. The Russian Ministry for Fuel and Energetics had earlier stated that it backed the participation of Russian companies in such projects. The ministry's official representative Aleksandr Diktyaryov noted that "we regard this as our companies' normal emergence on the markets of the states of the so-called near abroad, where we had unwisely relinquished lately some of our positions lately". He also added that the contract to develop offshore deposits, signed in Baku last week, "stipulated the participation of Russian oil companies, which still find it difficult to compete with Western corporations in large projects."

In this international contract Russia's interests are represented by the Russian "Lukoil" company, which has a share of 10 percent in the project. According to preliminary figures, the reserves of the deposits concerned amount to 500 million tonnes. About 8-10 billion U.S. dollars are needed to tap them.

According to Stanislav Pugach, chief of the board for international cooperation under the Russian Ministry for Fuel and Energetics, the foregoing committee is needed to draw up a concerted policy of the Caspian states concerning the extraction of mineral resources until the international status of the Caspian Sea is finally determined. "The Russian Ministry for Fuel and Energetics," he added, "will shortly draw up a draft agreement and several documents needed to set up such a committee. They will then be forwarded to the government for approval."

The document is eventually to be signed by the heads of government of the Caspian states. They are expected to meet in Baku, the capital of Azerbaijan. The question of inviting Iran to take part in the meeting, alongside with Russia, Kazakhstan, Turkmenia, and Azerbaijan, is now being studied.

Admiral on Caspian Flotilla's New Base, Role

MM2709153994 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 3

[Interview with Vice Admiral Boris Zinin, commander of the Caspian Flotilla, by Captain Second Class Shamil Khayrullin; date and place not given: "Border Sea, But Without...Borders. Five Questions for Vice Admiral Boris Zinin, Commander of the Caspian Flotilla"]

[Text] In the second half of 1992, in the 270th year of its existence, the Caspian Flotilla, smaller and "relieved" of the stocks, housing, and technical servicing installations being left behind, quit the Baku base it had occupied for more than 100 years. Its new refuge as well as home would be Astrakhan Oblast—the flotilla had returned from czarist Russia to post-Soviet Russia....

Two years have now passed—long enough to finally "bury" one of the oldest naval large strategic formations, but not enough to revive good naval traditions in a new place. The experience of these two years is also valuable because the Caspian men were some of the first people, not only in the Navy, to start serving virtually from scratch—under new conditions and at a new home. The way this all came about, how the flotilla is doing today, and what it can expect in the future were discussed by its commander, Vice Adm. Boris Zinin.

[Zinin] Until very recently—and to be fair this should be noted—naval seamen were treated marvelously by the Azerbaijani people. Baku had developed in the context of our presence and was the most convenient ice-free harbor in the Caspian. With support from the city and the republic we had everything we needed—a leisure center, pioneer camps, kindergartens and creches, and a small housing pool. Suffice it to say that a military college graduate who came to serve with us could move into a nice apartment (of his choice!) within a month.

When we left Azerbaijan, we were forced to leave a lot behind—15 warships and patrol boats, more than 10 auxiliaries, and the lion's share of our stocks of weapons, hardware, and other gear. Some of our officers and ensigns stayed behind to serve with the Azerbaijani

Navy, others decided to seek their fortune in other lands—Belorussia [Belarus], the Ukraine, and other former Union republics. The redeployment left us 40 percent short of ensigns alone!

[Khayrullin] Boris Mikhaylovich, not only Azerbaijan but other of the Caspian republics have staked claims to the flotilla's property....

[Zinin] Virtually all our depot facilities and moorings were concentrated on Azerbaijani territory. But other republics—particularly Turkmenia—have obtained stores and part of our hydrographic support system at our expense. And this dividing up of property requires special comment.

Prior to our withdrawal from Baku, safety of shipping in the Caspian Sea was the responsibility of the flotilla's hydrographic service. We had a well-organized system operated by around 2,000 of only the best-qualified civilian specialists. But now the system of ensuring the safety of shipping in the Caspian has been destroyed. Azerbaijan, Turkmenia, and Kazakhstan are incapable through their own efforts of servicing radionavigation systems, beacons, and other hydrographic equipment. And now, to our great regret, ships in the Caspian, as on the high seas, have been forced to determine their position by reference to the stars and the sun—there is no longer an integrated navigation system. This is just one of the many problems that have followed in the wake of the collapse of the Union and the division of the flotilla.

Just what is the situation now? The move to the flotilla's new bases has been carried out in an organized fashion, without any losses among the personnel. But we have had to virtually start from scratch. The basing of ships in the mouth of the Volga and the deployment of forces from the river to the naval unit—around 200 km away—added new problems. But the hardest times can be said to be over. The flotilla has bought, leased, or been given military camps, official premises, and accommodations. New ships are entering service.

[Khayrullin] And what is the current state of affairs in the flotilla?

[Zinin] Since 1989, when the Defense Ministry Inspectorate for the last time gave the state of affairs in the flotilla a solid mark of four out of five, and as a result of a number of well-known events, no particular attention has been paid to military training. Following the redeployment, we were set the task of finding facilities in 1993. But this year, 1994, has been a turning point for us. Military training has settled down. I recently returned from in-port shipboard refresher training sessions involving all our permanent-readiness ships. I was satisfied with the results of the sessions. The sailors are now indeed doing the jobs they are meant to do. And, judging from their work, I would assess the flotilla's combat training as most satisfactory and allowing us to carry out our mission.

[Khayrullin] Has there been any change in that mission in connection with the changed geopolitical situation in the Caspian Basin?

[Zinin] Naturally, there are now five independent states (Russia, Azerbaijan, Turkmenia, Kazakhstan, and Iran) with access to the sea which intend to have their own naval forces in this area. Azerbaijan, as I said, has inherited 15 warships and patrol boats from us. The Iranian Navy has more than 60 combat patrol boats. Turkmenistan too has a large navy. Kazakhstan is planning to set up a navy based in the port of Aktau (the former port of Shevchenko). In other words, all these states have their own interests in the area and intend to defend them. Russia has a coastline on the Caspian stretching for 770 km. We have developed shipping and fisheries in the area, and the region is also important from the standpoint of oil production. So the Caspian Flotilla's role has increased immeasurably....

[Khayrullin] We should probably also note the fact that there is still no agreement between the newly formed states on dividing up the Caspian, on maritime borders, or on the joint utilization of the resources of this major closed basin....

[Zinin] Unfortunately, there are indeed still as yet no new legal international documents on the Caspian. But there is a very urgent need for them—there are no borders, and no environmental or economic zones have been sketched out. Consequently, border guards will find things hardest of all in this respect—where should foreign ships be detained and inspected? Only smugglers and poachers will feel at ease in this chaos.

Astrakhan Oblast has become a border region and has established its own border regulations. But this matter has not been settled for Russia, on a statewide scale. Let us not forget that the Caspian region is by no means as quiet as we would like. The continuing conflicts in the Transcaucasus and the turbulent situation in Chechnya are all nearby.

[Khayrullin] What paramount problems, in your opinion, need to be resolved in the flotilla as a priority?

[Zinin] The problems relating to cadres and housing. After all, they are closely related. Just imagine—503 families of officers and ensigns are housed in hostels or are renting private apartments. Thanks to the people of Astrakhan we have been able initially to house 300 families. But this is not a final solution to the problem. This year we will be able to provide 181 apartments for our career servicemen. Next year we plan to provide another 300. Nonetheless, we will be unable to solve this problem by ourselves before late 1995. But, on the whole, the attitude of the officers, ensigns, and men is good. Moaning is not something Caspian sailors do.

Former KGB Heads Involved in Smuggling Russian Oil

MS2609121394 London DAILY EXPRESS in English 26 Sep 94 p 44

[Report by Will Stewart: "KGB Black Market Oil Cash Pouring Into City"]

[Text] Riga—London is at the centre of a huge black market oil network controlled by top members of Russia's former secret police.

Millions of pounds are flooding into the City from the operation.

Companies set up in the capital are being used to launder the profits of the hijacking deals, where cheap Russian oil is sold on the black market for vastly inflated prices before reaching legitimate customers.

And the network, with links in Paris, Geneva and Berlin, is making former KGB bosses oil millionaires, raking in profits of up to 500 percent.

The revelations were made in Riga, the capital of the Baltic state of Latvia, after the arrest of the Latvian boss of a Swedish-based oil firm which trades with the former USSR.

Businessman Rustam Kadirov was arrested in Sweden on oil smuggling charges after a tip-off by Latvian prosecutors, who are now pressing for his extradition.

Kadirov's disclosures have implicated some of Russia's biggest oil companies.

He claims a KGB network controls everything from extraction in Russia's giant oil fields to the shady export transactions, often made in the Baltic states.

He alleges oil is bought at production prices in the Kremlin's rundown but exceptionally wealthy, oil fields. The oil is then sent to Kaliningrad, the last remaining Russian port on the Baltic.

But it never reaches its destination, he claims.

Instead, oil and oil products are sold tax-free In Latvia, on a thriving black market, with profits of between 300 and 500 percent.

At official prices, crude oil in Russia sells for only a third of the London market price.

Kadirov has told investigators that the operation is controlled by KGB "oil generals"—previously senior officers in the hated Soviet intelligence network.

He maintains that a complex network of companies has been set up by the former KGB officers in London, Geneva, Paris and Berlin.

Profits from oil transactions are said to be channeled through these companies. And a leading Swiss bank—the Swiss United Overseas Bank—is alleged to be used by the Russian oil barons.

Kadirov claimed that recent murders of oilmen in the Russian cities of Tyumen and Kubyshev are linked to the scandal.

One Riga newspaper says the revelation "has opened up a can of worms that could leave Latvia in the middle of a major international scandal".

The BALTIC OBSERVER says: "Statements made by Kadirov have led experts to conclude that the majority of illegal exports of Russian oil are firmly under the control of former Russian KGB officers.

"The indications are that hijacked Russian oil is finding its way into Latvia."

Foreign Ministry Predicts Lifting of FRY Sanctions

LD2709181994 Moscow INTERFAX in English 1640 GMT 27 Sep 94

[Text] Moscow is proceeding from the belief that the recent resolution of the UN Security Council on suspending some of the sanctions against the United Republic of Yugoslavia provided that Belgrade continues its constructive policy for cooperation with the world community will mark the beginning of the lifting of all sanctions imposed by the Security Council against the country. The Russian Foreign Ministry's spokesman Mikhail Demurin said this at a briefing in Moscow today.

Demurin said the adoption of the resolution became possible as a result of Belgrade's decision to close the Yugoslav-Bosnian border for all cargoes except humanitarian ones and to establish international monitoring there.

"The UN Security Council sent a clear message that it can react adequately to the situation taking into consideration changes in the policy of the parties and encourage those who contribute to achieving peace through practical actions," he added.

Commenting on the resolution of the UN Security Council toughening the sanctions against Bosnian Serbs, Demurin said that it aimed at making Bosnian Serbs accept the plan for peace settlement.

"Moscow is convinced that if the Bosnian-Serb party realized that there is no alternative to political settlement this would allow it to break through the international isolation and would open up wide opportunities for restoring peace" he said.

Demurin said that Russia was always against the practice of ethnic cleansing. Russia has voted for the UN Security Council's resolution which condemns the policy of expelling the non-Serb population from the territory controlled by Bosnian Serbs and gross violations of the international humanitarian law, he added.

"Such a practice was applied by other parties to the conflict as well. That is why the provision of the resolution condemning any forms of ethnic cleansing is very important," Demurin stressed.

Defense Denies Forces Sending Tanks to Turkey

LD2709133494 Moscow ITAR-TASS World Service in Russian 1240 GMT 27 Sep 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 27 Sep—The Russian Ministry of Defense has described the information circulated by certain mass media today about the transfer to Turkey by the Western Group of Forces of "about 16,500 tanks" as "not corresponding to reality."

A statement by the Information and Press Department of the Ministry of Defense explains that "the Western Group of Forces never had this many tanks at all." The largest number of this type of armored equipment that this group of forces ever had was 8,055 in 1989. They were all withdrawn to the territory of the former USSR.

FIS Spokesperson on Iranian Nuclear Arms Acquisition

LD2709223494 Moscow ITAR-TASS in English 1937 GMT 27 Sep 94

[By ITAR-TASS correspondent Mikhail Mzareulov and ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[Text] Washington September 27 TASS—Iran may create a nuclear weapon of its own within the next eight to ten years, CIA Director James Woolsey told a conference at the Washington-based Institute for Middle-east Studies. The text of his speech was circulated here on Monday.

According to Woolsey, development of nuclear arms is at the center of Iran's current military programme. Tehran focuses its attention on Russia, which it sees as a potential source of the main components of nuclear arms and finished nuclear arms per se.

Iran is actively involved in attempts to buy radioactive materials and technologies in Russia, he said.

Moscow September 27 TASS—"Russian Foreign Intelligence Service (FIS) has no information to prove that Tehran focuses its attention on Russia, which it sees as a potential source of the main components for the production of nuclear arms and finished products. Though FIS notes that Iran makes certain efforts to get an access to modern technologies, it cannot undertake to assert that it is a matter of military nuclear technologies," Tatyana Samolis, press secretary of the FIS Director, told ITAR-TASS on Tuesday.

FIS is informed about Iran's (and not only Iran's) growing interest in the high-tech field. But its interest is aimed at nuclear power engineering rather than military uses, she said. "We cannot quite understand, on what Mr Woolsey's assertions are based. Certainly, the CIA may have certain data about Tehran's intention to get down seriously to creating nuclear arms, and Russian intelligence may lack the data at present," she said.

"But, oddly enough, whenever a question is raised about abuses in the nuclear field (in certain countries), all eyes are fixed on Russia. Such was the case when contraband plutonium was uncovered in Germany, though its origins have not been found out as yet. And that is what is happening today," she added.

"If Russian intelligence comes to know about Iran's intentions to make use of Russian accomplishments in the nuclear field with a view to implementing a programme for creating nuclear arms of its own, it will respond adequately. It is in nobody's interests to conceal such (evidence) and to pander to (such intentions)," she pointed out.

Official Says Iraq Must Respect Kuwaiti Border

LD2709201094 Moscow INTERFAX in English 1454 GMT 27 Sep 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Baghdad should clearly and unequivocally recognize the sovereignty and international borders of Kuwait and express readiness to cooperate in tracing captured Kuwaiti nationals. Without fulfilling these conditions, there can hardly be any practical movement toward the lifting of sanctions against Iraq, in particular the oil embargo, the director of the Middle East and North Africa section of the Russian Foreign Ministry Viktor Posuvalyuk told Interfax on Tuesday

Commenting on a recent decision of the UN Security Council prolonging international sanctions against Iraq the diplomat said the approaches of Russia and other Security Council members to the matter did not differ in any way. There was a consensus on the need for greater concessions on the part of Iraq, Posuvalyuk said. This does not mean, however, that the Russian approach does not have its own distinctive features. The diplomat said that on the one hand, Baghdad should be encouraged, on the other, it should be seriously worked with and that is what Russia is doing at the moment.

According to the official, the Russian stance has its own distinctive features, the main one being the recognition that during the past few years Baghdad has done much to carry out the Security Council resolution 687, stop military programs and destroy mass annihilation weapons.

The high-ranking diplomat believes one should see certain progress in the steps of Iraq, adequately react to them and encourage the implementation of UN resolutions. In this case Baghdad will be more inclined to cooperate with the Security Council and the UN special commission for disarming Iraq, Posuvalyuk said.

He also reported that before the debate on sanctions at the Security Council Russian representatives conducted energetic consultations with Iraq and other interested countries. We tried to encourage Baghdad to definitely recognize the sovereignty and international borders of Kuwait and speedily trace over 600 Kuwaitis missing since the Iraqi aggression, the diplomat said. The contacts proved effective. The evolution in the Iraqi approach continues, but unfortunately no definite result was achieved, the official said.

Posuvalyuk stressed that Russia continues working with Iraq. The next stage is the coming debate on the report of the head of the UN special commission Rolf Ekeus on the observation of Security Council resolutions by Baghdad, the diplomat said.

Kozyrev Insists Russia 'Not Sick Man' of Europe

AU2709180894 Munich FOCUS in German 26 Sep 94 p 338

[Article by Foreign Minister Andrey Kozyrev: "Russia Is Not the Sick Man of Europe"]

[Text] I neither believe in a "conflict of civilizations," predestined by fate, nor in the inevitability of the North-South confrontation. The source of almost all modern crises in the world lies in the states themselves and not in the relations between the states.

This is the reality, which the West must take into account when it will formulate its policy toward Russia in the decades to come. After all, the way in which we are treated by other countries can either heat up or cool down emotions in our still fragile political life.

Alliances of integration such as the European Union, the North American Free Trade Association, or the recently resuscitated Association of South-East Asian Nations, are driving forces for the establishment of a new world order. The Community of Independent States, which is growing together, will also play an important role if the democratization of Russia is successful.

Yet, the formation of a multipolar world is not a guarantee for international stability and security. Ethnic and regional rivalries as well as aggressive nationalism threaten to throw the world back into a new era of "mutual deterrence," if not into a system of hostile alliances similar to those before World War I. The conflicts in the former Yugoslavia and the crisis spots of the former Soviet Union have shown into what barbarity we degenerate when ethnic intolerance is made state policy.

A return to communist totalitarianism can be ruled out in Russia. Yet, the fundamental questions about Russia's future and its role in the world remain unresolved. The reforms, which have been advanced by Boris Yeltsin, are still in danger. Not from the part of the old communists, but from forces that operate with nationalist and even neo-Fascist slogans. These forces thrive on the ground of national humiliation, which has resulted from the collapse of communism and the disintegration of the Soviet Union.

We Russian democrats would no longer have the right to refer to ourselves as democrats if, in our actions, we ignored public opinion, that is to say the decision-makers of democratic life. The struggle in which the defenders of democratic or imperial options are engaged today has a direct influence on the feelings and thoughts of the public at large.

The current situation is different to what the West has so far been used to in its dealings with Russia. In their policy, Russia's reformers, but also their friends abroad, must today take into account how this policy is taken up in Russia itself.

It is the task of the Russian democrats to convince the public opinion of the fact that national interests can be protected only within the framework of democratic and open foreign policy, and that a great Russia is the Russia of a Sakharov—and not that of a Zhirinovskiy.

If the West is really willing to help us solve this problem, it should avoid anything in its Russia policy that could strengthen the ground of national humiliation. It can do so by showing the public opinion that the world needs Russia and considers it a strong partner. The West will not be helpful when it treats Russia full of distrust as the "sick man" of Europe and Asia.

A policy that supports Russia's legitimate efforts to be a democratic pillar of the international system would be the best path to stop the renaissance of Russian imperialism.

Yet, if the West were to try to isolate us through new "iron curtains" and "buffer zones," then it would create the old alienation and prepare the ground for nationalist and imperialist extremism. This is why we have to insist that any partnership with Russia be based only on the principle of equality and not on patronization—as if Russia were some historic loser that first has to be taught how to walk.

Kozyrev Heads International Law Committee

MM2709103794 Moscow ROSSIYSKIYE VESTI in Russian 22 Sep 94 p 3

[Report by Anna Selezneva under the "In Brief" rubric: "International Law Gains Rights"]

[Text] International conferences and seminars on very diverse problems of international law will be organized and conducted by the Russian Federation National Committee for "The Decade of International Law." For example, the participants in the upcoming events will discuss the operation of norms of international law on the territory of the Russian Federation and urgent problems of law of the sea and humanitarian law. Our country will also participate in the UN Congress on International Law, to be held in New York next spring.

The National Committee was set up under a directive by President Boris Yeltsin "for the purposes of ensuring the dissemination and broader recognition of international law in the Russian Federation." It is headed by Foreign Minister Andrey Kozyrev.

As is known, the UN General Assembly has proclaimed the upcoming decade the Decade of International Law.

Foreign Ministry 'Closely Watching' Rwanda, Burundi

LD2709165294 Moscow ITAR-TASS in English 1539 GMT 27 Sep 94

[By ITAR-TASS correspondents Valeriy Sevryukov and Vladimir Suprun]

[Text] Moscow September 27 TASS—Russia is closely watching the developments in Burundi, where the situation is far from stable, and in Rwanda, which is trying to cope with civil war-caused destruction, the Russian Foreign Ministry's official Mikhail Demurin told a briefing today.

The diplomat said the recent positive changes in Burundi were a ground for "some optimism." Most political parties of the country signed a governmental power separation convention, with mediatory assistance from the United Nations and the United Arab Emirates. This holds out the promise that Burundi will end its constitutional crisis and reach national reconciliation. The most important task now is to prevent extremist forces from derailing the compromise which was so hard to reach and from plunging the country into catastrophe, Demurin said.

As concerns Rwanda, the Foreign Ministry official said its key challenges were the return of millions of refugees, the restoration of civil peace and economic recovery.

Russia intends to further participate in the world community's humanitarian efforts in Rwanda, Demurin said.

Chinese Embassy Denies Rumors of Deng's Death

LD2709163494 Moscow ITAR-TASS in English 1511 GMT 27 Sep 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow September 27 TASS—China's Embassy in Moscow today rejected as ungrounded rumours circulating here about the passing away of Deng Xiaoping, the architect of Chinese reforms. Sources in the Chinese Embassy told ITAR-TASS that Deng, who celebrated his 90th birthday recently, is alive and well, as far as their information goes.

Rumours about Deng Xiaoping's decease were launched in Moscow with reference to "sources in the Japanese Government". A responsible Japanese Embassy official. However, told ITAR-TASS that "the embassy has no knowledge whatsoever" on this score.

Deng Xiaoping, who is not holding any official post at present, is nonetheless regarded as one of the most influential Chinese leaders to who the steady progress of Chinese reforms is due.

Political Issues

Government Issues Statement on Dudayev Attacks

LD2709172194 Moscow ITAR-TASS World Service in Russian 1537 GMT 27 Sep 94

[Text] Moscow, 27 Sep (ITAR-TASS)—The press service of the Russian Federation Government has circulated a statement today, in which it says:

"On 27 September, the armed forces of Dzhokhar Dudayev attacked a number of populated locations in the Nadterechnyy rayon of Chechnya, unrestrained by mass casualties among the civilian population. After bloody clashes the attack was rebuffed by the united forces of the Chechen opposition.

"Dudayev's regime has finally rejected a peaceful solution to the crisis situation which has taken shape in the republic, and has started armed actions against his own people. In shedding the blood of innocent people, Dudayev is hoping to provoke the Russian Federation into sending in regular Army units in a last desperate attempt to unite the dwindling ranks of his supporters in the face of a mythical outside threat.

"The position of the Russian Federation Government regarding a settlement of the crisis in the Chechen Republic, which was set forth in the appeal to the Chechen people on 3 September 1994, remains firm and unchanged. The Russian Federation Government will steadily pursue a policy directed at stabilizing the situation in the region, and will do everything necessary to ensure that the lives of civilians are protected, and to restore constitutional order and lawfulness on the suffering land of Chechnya."

Kremlin Source Says Kostikov To Go in 2-3 Days

MK2809082094 Moscow NEZAVISIMAYA GAZETA in Russian 28 Sep 94 p 1

["NG" report under the "In Brief" rubric: "Vyacheslav Kostikov Leaves"]

[Text] Mr. Kostikov is to turn over his duties in two or three days. Vyacheslav Kostikov's fate is sealed, although in the nearest future no official personnel changes in the Russian Federation president's staff are planned. There is already a candidate to replace him. Most likely, they are going to do the same to Mrs. Pikhoya and Mr. Ryurikov. Georgiy Satarov stays on in his position. The information has been obtained from a more than reliable source in the Kremlin.

Satarov Denies Split in Presidential Team

LD2709180794 Moscow INTERFAX in English 1640 GMT 27 Sep 94

[Text] There is no split in the presidential team, Russian Presidential Aide Georgiy Satarov told Interfax Tuesday.

Commenting on an article published by Izvestiya Tuesday, he pointed to the lack of logic in the ideas of its author: "The democratic wing is said to embrace both people who have not accompanying the president to the U.S. and those who have, for example Baturin and Livshits."

Satarov pointed out that "there was evident pluralism, which exists in any team, in the presidential surroundings—this is normal, and the president finds it convenient to have different points of view in order to be able to choose out of them."

"I have not heard expressions of dissatisfaction from the president, and as far as I know nor have my colleagues," Satarov said.

'Democrats' in Yeltsin Team Now Out of Favor

MM2709164794 Moscow IZVESTIYA in Russian 27 Sep 94 p 2

[Article by Vasiliy Kononenko: "Split in Presidential Team Increases Opposition's Chances"]

[Text] When top officials gathered at the government's Vnukovo-2 Airport to see off President B. Yeltsin to Britain and the United States last Saturday, those present were asking the alarmed question: "What has happened to our kingdom once again?" Not only people who know about the division of responsibilities within the president's entourage, but even journalists were drawing attention to the fact that the team which constantly accompanies B. Yeltsin on his various trips did not include the people who traditionally prepare these visits. The plane left without aides D. Ryurikov and G. Satarov, Press Secretary V. Kostikov, and speechwriter L. Pikhoy. They had prepared for the visit but the editorial office has learned that their names were removed from the list of accompanying officials at the last minute. Under established practice, nobody has the right to do this without the president's knowledge.

The "victims" themselves have been saving face and are not giving any convincing reasons for this decision. G. Satarov has referred to the fact that he has to prepare for the opening of the parliamentary session. V. Kostikov was generally vague. "There are reasons why the president decided to leave me here at the moment," he told IZVESTIYA's correspondent. It is also known that D. Ryurikov has set off to Kiev rather than Washington to prepare for the Russian-Ukrainian summit.

Nonetheless, over the past few months a lot of information has built up which sheds light on the latest Kremlin surprise, explains it, and allows us to make a not very optimistic forecast—a split in the president's entourage is either in the offing or has already happened. As for the conclusions drawn by certain analysts claiming that only people ill-disposed to the president's leading aide V. Ilyushin are saying this, they seem at the very least to be frivolous.

Differences Between President's Aides Could Have Ideological Overtones

Signs of major differences in the presidential team appeared at the end of last spring, when, after having been in the Kremlin for a long time, B. Yeltsin agreed to a proposal from his aides to undertake a series of intensive tours of the country aimed at improving his popularity ratings. These proposals also included the following recommendations—to meet with representatives of reform forces more frequently, viewing democratic organizations as his main support. These recommendations were skillfully neutralized through V. Ilyushin's efforts. With the exception of an unimportant meeting with Ye. Gaydar, the president has not touched base with his supporters over the past few months.

More was to come. During the preparations for B. Yeltsin's working trip with his family down the Volga (many people in society assessed it as a desire on his part to have a bit more of a rest) V. Ilyushin cut out those points on the itinerary which would have demonstrated contacts with the democratic public. Finally, after an unproductive visit to Germany that had a mixed reception, the president's aides started feverishly preparing a package of political and legislative initiatives for the fall. Admittedly, there are doubts that they will be implemented.

Against the backdrop of general differences there have also been personality clashes which seem to have left certain aides in disgrace. It is well known, for instance, that D. Ryurikov has long been forced to draw the president's attention to certain distortions in foreign policy. These are based on the pronounced pro-U.S. stance taken by Foreign Minister A. Kozyrev to the detriment of Russia's interests in the near abroad. IZVESTIYA's correspondent was told this by high-ranking diplomats, assuring him that they had sent notes to the president through D. Ryurikov demanding certain amendments. There has not been any reaction.

Moreover, my interlocutors noted, D. Ryurikov categorically objected to a number of new ambassadorial appointments for the reason that professionals and strong personalities with their own positions were thus being removed from the Foreign Ministry. We have also learned that, during the discussion on B. Yeltsin's UN speech, the always phlegmatic D. Ryurikov exploded precisely because the speech ignored his recommendations, which differed from the Foreign Ministry's positions.

Judging by everything, the president's dissatisfaction with V. Kostikov emerged as a result of his IZVESTIYA interview, in which he called on B. Yeltsin to rely more on the democratic camp and to devote more attention to domestic policy. There is also no doubt that certain forces (they will be discussed below) could not forgive him his activeness in getting B. Mironov, the former leader of the Russian Committee for the Press, removed from his position. It seems as though M. Poltoranin, who was unhappy that the press secretary had stopped accepting his recommendations, called for Kostikov's head. According to the available information. M. Poltoranin has managed to win his way back into B. Yeltsin's favors. Incidentally, the two men met last summer and, as a result of the meeting, the edict removing B. Mironov was held up for two months.

According to our information, Yu. Baturin, A. Livshits, G. Satarov, and L. Pikhoy are in disgrace and, people close to them claim, for reasons similar to those we have outlined. In their notes to the "boss" they dared to talk about political shortcomings relating above all to the lack of any firm or consistent democratic guidelines in the president's actions.

Thus there are, as it were, two groups in the presidential entourage—a disgraced, democratically oriented group, and an "Ilyushin" group which has long realized what the president needs to be told and, above all, how to ensure by any means that he is comfortable in power [vlastnyy komfort]. In order to understand why the very cautious V. Ilyushin has started openly pushing the president's "workhorses" away from him, we should pay attention to the "shadows" in the Kremlin.

Reliance on Pseudocentrists—Preparing for a Change of Government?

The Kremlin has recently drawn attention to the increasingly frequent contacts between V. Ilyushin, former Security Council Secretary Yu. Skokov, and Yu. Petrov, former leader of the Presidential Staff. What is worth noting is that the leading aide's actions more and more frequently contain echoes of Yu. Skokov's statements and judgments. People I have talked to who know about life in the Kremlin have drawn attention to the fact that the activeness of the president's old friends has coincided with Yu. Skokov's unpublicized emergence as a key figure in a future cabinet of ministers at the meeting of hardline opposition leaders in Kaliningrad. Observers in some democratic organizations are claiming that this was not openly stated for tactical reasons—so as not to scare the president before the time came.

Yu. Skokov will initially be intended to replace V. Chernomyrdin in the event that the united opposition is able to get the question of the government's resignation through the forthcoming State Duma session. Corresponding preparatory work for the replacement of the premier has already begun. The aim of Yu. Petrov's return to the Kremlin is to oust S. Filatov. The opposition will thereby have a chance to have possible allies of its own in very important state posts. This will in turn give them advantages in a future presidential electoral campaign. Arguments in favor of these tactics can be seen in the reminders to the president about the "leftward" trend in the masses' sentiments (the examples of Lithuania, Poland, Hungary, Ukraine, and Belorussia [Belarus] are cited in this connection).

The Flaw in This Scenario

It seems as though the democrats who saved the president in October 1993 have started to get in his way.

Nonetheless, behind all these games there is the following dilemma—what forces can B. Yeltsin rely on in the 1996 election campaign? "Russia's Choice" or the pseudocentrists led by Yu. Skokov? It seems as though the new democrats have lost the first round of this struggle to the old presidential entourage, which essentially does not care what slogans are used or which forces are relied on in the elections.

But these tactics overlook one important fact. The president's popularity ratings are still being maintained thanks to the unambiguous backing of the democrats, who did not make their choice in favor of the new Russia because of any short-term considerations. They include not only members of democratic parties and movements, but also people from the world of science and the arts who are known to the entire fatherland. Should events unfold under this new scenario, this support for the president would begin to dissolve. Were something similar to happen in the absence of a unified leader of the democrats, the opposition would not find it very hard to seize power in Russia.

New Political Center Head Seen as Nomenklaturist

MK2709104094 Moscow KOMMERSANT-DAILY in Russian 27 Sep 94 p 3

[Report by Maksim Sokolov: "Sergey Stankevich Steps Down. The Last of the Young, But Early Mohicans"]

[Text] On the evening of 23 September the Russian president issued an instruction obliging the Russian Sociopolitical Center to change its functions and its chief. Former presidential adviser Sergey Stankevich will be replaced by Aleksey Salmin.

Sergey Stankevich is apparently one of the last "children of Gorbachev," who made a meteoric career followed by just as meteoric a fall: A historian and junior research associate—perestroyka activist—democratically minded deputy—deputy Moscow city hall chief—presidential adviser—sinecure job holder—nothing. Every parabola consists of two branches, and a parabolic takeoff is always a prelude to a similar-style landing. Two weeks ago, a MOSKOVSKIY KOMSOMOLETS journalist, who specializes in ruining impeccable reputations by exploiting documents that come his way by pure chance, charged Stankevich with graft in 1992, when a show event was staged on Red Square, and published Stankevich's invoice for receiving $10,000 for God knows what. The courageous journalist invited Stankevich to challenge him in court, but Stankevich did not file a lawsuit or deny the report, and in the meantime the edict was forthcoming.

A theory is inevitably coming to mind whereby the presidential team has decided to carry through the publicly requested campaign to purge its ranks, a campaign that was announced in connection with Press Committee Chairman Boris Mironov's resignation—all the more so because Stankevich, who has gotten himself entangled in evil gossip and who does not have powerful patrons at that, was the ideal purifying sacrifice. In addition, his center, initially designed as an incubator of a democratic multiparty system, under Stankevich has grown reminiscent rather of a snake farm, judging by the number of dubious patriotically minded organizations to which it has given shelter. Against the backdrop of presidential analysts' statements that any tolerance toward the Nazis has limits, the resignation appears fairly logical.

But the main reason seems to be more simple. Aleksey Salmin, new chief of the center, is a venerable and authoritative representative of the old political science clan from the Profsoyuznaya metro station (CPSU Central Committee sociopolitical institutes), which has currently acquired most-favored status with the presidential administration. The renaissance of the academic clan has naturally led to the replacement of a political scientist parvenu with a master one.

Yeltsin Considering Postponing Local Elections

MK2809083094 Moscow NEZAVISIMAYA GAZETA in Russian 28 Sep 94 p 1

[POSTFACTUM report under the "In Brief" rubric: "Elections Could Be Moved Back"]

[Text] Elections for Russian Federation kray and oblast administration chiefs and governors could be postponed by Boris Yeltsin's decision. This subject was under discussion at the meeting between the president, the prime minister, and the chairmen of the Federal Assembly chambers 22 September, competent sources at the Russian Federation State Duma reported. The discussion was prompted by the situation in Maritime Kray, which has drawn numerous protests from influential political forces both in the kray and across Russia.

Yeltsin Asked To Suspend Far East Elections

LD2709200494 Moscow INTERFAX in English 1413 GMT 27 Sep 94

[Text] The leaders of four Duma factions—Yegor Gaydar (Russia's Choice), Boris Fedorov (Liberal Democratic Union December 12), Sergey Shakhray (PRESS) and Grigoriy Yavlinskiy (YABLOKO) have sent a letter to President Yeltsin, asking him to exercise his constitutional right to suspend gubernatorial elections in the Primorskoye Territory in Russia's Far East.

They underscore "the exceptional danger of this experiment," stressing that "the executive branch of the territory has scheduled elections for itself in the absence of a legislative branch."

Elections of a regional governor are scheduled for October 7 by a decree, signed by the head of the regional administration Evgeny Nazdratenko in early August.

The decree postponed elections of a regional legislative assembly from last spring to the autumn, but after the gubernatorial elections.

The letter points to serious breaches of the constitution by Nazdratenko and the assumption of powers belonging to the legislature.

"The head of the administration has, in fact, broken off public accord, destabilizing by his actions the situation not only in the territory but in the Far East and in society as a whole," the message says.

Resignation of Agriculture Minister Denied

LD2709143194 Moscow ITAR-TASS in English 1345 GMT 27 Sep 94

[By ITAR-TASS correspondent Aleksey Filatov]

[Text] Moscow September 27 TASS—There has been neither a writen nor a verbal statement of resignation by Russian Minister of Agriculture and Food Viktor Khlystun, Aleksandr Zaveryukha, prime minister [title as received] of the Russian Government, said in an exclusive interview with ITAR-TASS.

The deputy premier said Khlystun is now on a visit in Poland, participating in a conference of agriculture ministers of European countries.

These rumours mean another attempt by certain circles to "drive a wedge" between the government and agrarians, involve them again into political games at the harvest time and thus create a difficult situation with food in the country, Zaveryukha said.

Agrarians Disown Call for Government Resignation

MM2709155394 Moscow SELSKAYA ZHIZN in Russian 24 Sep 94 p 1

[Unattributed report: "State Duma Press Service Announcement"]

[Text] Deputies on the Board of the Agrarian Party of Russia [APR], expressing perplexity in connection with the appearance of APR Deputy Chairman Aleksandr Mikhaylov's signature on a demand for the resignation of the Russian Federation Government and for early Russian Federation presidential elections, have sent a statement to the State Duma Press Service. The statement points out that Aleksandr Mikhaylov put his signature to that demand, according to him, "without any doubt and wavering," while attending the Congress of Patriotic Forces in the cities of Kaliningrad and St. Petersburg.

But, according to the statement's authors, there should have been wavering and doubt albeit because a session of the APR Board held 12 September this year reached somewhat different decisions, to put it mildly. The APR Board statement was published 15 September this year in SELSKAYA ZHIZN and signed by all members of the APR Board, including A. Mikhaylov.

APR Chairman Mikhail Lapshin stressed that A. Mikhaylov only had observer status at the aforementioned congress in Kaliningrad.

Mirzayanov Drops Out of Race in Favor of Borovoy

MK2709101094 Moscow SEGODNYA in Russian 27 Sep 94 p 2

[Report by Viktor Khamrayev under the "Candidates" rubric: "Vil Mirzayanov Gives up State Duma for Konstantin Borovoy. Economic Freedom Party Chairman Fears Sergey Mavrodi of All the Contestants"]

[Text] Democrats will be represented by a single candidate in the 30 October elections for the State Duma in Mytishchi electoral district No. 109. Konstantin Borovoy, chairman of the Economic Freedom Party [EFP], is going to run for a deputy seat after Vil Mirzayanov, another member of the democratic camp, dropped out of the race in his favor.

In a press conference at the EFP office yesterday, the chemical scientist explained his decision by the fact that he took into account "the lessons of the election campaign" last year, where the democrats "in many cases could not win owing to their leaders' uncoordinated actions." Therefore, having seen Mr. Borovoy's name among the candidates who started collecting signatures in the district, Mr. Mirzayanov banished thoughts about the State Duma in order "to demonstrate in deed his adherence to democratic principles and to uphold the unity of democratic forces."

Debarring himself from lawmaking activities, Mr. Mirzayanov is going to concentrate efforts on preparing the founding congress of a federal democratic movement, and on the problems of putting into practice the program of chemical weapons destruction in Russia. In this connection, Konstantin Borovoy stated in the press conference that should he win, he would thank Mr. Mirzayanov for such a step "not simply in a humanitarian way" but would also "adopt his conception" for the destruction of chemical weapons in his practical activities as deputy.

Not trying to anticipate the election's results, Mr. Borovoy at the same time named Sergey Mavrodi as his only serious contender (among nearly 20 candidates). The MMM joint stock company's election campaign, according to the EFP chairman, is proceeding "broadly." In Mr. Borovoy's view, "what is happening in the district is a carbon copy" of MMM's television and radio promotion campaign, "which subliminally registers information" in the viewer. As proof he cited the recently observed "Town Day" in Mytishchi, complete with "dirigibles and camels, with Lenya Golubkov and Marina Sergeyevna riding them."

"A huge sum was spent," the democratic candidate told journalists. "According to our estimate, it topped one billion rubles." Mr. Borovoy pointed out that "we can't afford such a thing," and stated to the mass media workers: "I have no right to act upon the subcortex."

Konstantin Borovoy intends to win over the voter "by acting on his conscience," something the EFP chairman is going to devote six meetings daily after the election marathon's official start on 2 October.

LDPR Accuses Yeltsin of Violating Accord Treaty

LD2709200394 Moscow INTERFAX in English 1640 GMT 27 Sep 94

[Text] The Russian president violates the Public Accord Treaty by not maintaining contacts with representatives of the Liberal Democratic Party of Russia (LDPR), said LDPR parliamentary faction's statement transferred to Interfax today.

The LDPR statement said that in accordance with the Treaty the president "must maintain a permanent dialogue with society and with political parties." It repeated that the LDPR had gained the majority of votes during the parliamentary elections on December 12 (about 12 million or 23

) and had signed the Treaty.

During the first session of the State Duma President Boris Yeltsin met with, in particular, the factions of Russia's Choice, the Agrarian Party, the New Regional Policy and the Liberal-Democratic Union of December 12 deputy groups.

The LDPR made its statement in response to the recent interview between the Russian president's Press Secretary Vyacheslav Kostikov and Interfax. Kostikov then said he believed that "Yeltsin does not have and cannot have anything in common with either Zyuganov (the Communist Party's leader - IF) or with Zhirinovskiy (the LDPR leader - IF) or with Lapshin (the Agrarian Party's leader - IF)." Kostikov added that "the president must actively confront them together with the Democrats."

The LDPR statement wondered what kind of "active confrontation" the Russian president's press secretary had called for, given that the LDPR had not participated in the events of October 1993 and used "only constitutional means of struggle."

Filatov: Opposition Forms Bloc To Remove Government

LD2709201194 Moscow INTERFAX in English 1539 GMT 27 Sep 94

[By Nikolay Zherebtsov and Andrey Petrovskiy]

[Text] Sergey Filatov, the presidential chief of staff, told the Public Chamber recently that on the eve of a parliamentary session the opposition parties had formed a bloc aiming at removal of the government.

Experts say that the communists, agrarians and individual deputies from other groups might make up the core of such a bloc. Viktor Zorkaltsev, deputy chairman of the Communist Party's ruling body, a leader of the party's parliamentary group and chairman of the State Duma Committee on relations with public associations, said that his group would make up its mind on this issue at its meeting on October 4.

Zorkaltsev believed that pressing for resignation of the government would be premature. He explained that the government had first to report to the Duma on the implementation of the budget in the first nine months of the year before parliament decided whether to call for resignation of the entire cabinet or of just several ministers.

Vladimir Isakov, Agrarian Party, chairman of the Duma Legislation Committee, denied reports that several party groups would demand resignation of the government when parliament resumes work on October 5. He emphasized he did not support this idea.

Isakov explained that under the Constitution the country's internal and foreign policies were decided on by the president while the government only carried presidential orders and so there was not much sense in beating the dog which does what its master tells it to do.

On the other hand, he told Interfax it was desirable that several ministers, notably Deputy Prime Minister and State Property Committee Chairman Anatoly Chubays, Foreign Minister Andrey Kozyrev and Interior Minister Viktor Yerin be dismissed.

Sergey Glazyev, Democratic Party, who chairs the Duma Economic Policy Committee, believed that the government would have to resign if it did not start talks on the entire range of socioeconomic issues with the Federation of Goods Producers, led by Yuriy Skokov, former secretary of the Russian National Security Council.

Rutskoy To Continue Presidential Campaign

LD2709125094 Moscow INTERFAX in English 1202 GMT 27 Sep 94

[Text] Russia's former vice president and leader of the Derzhava (Great Power) movement circulated a statement on Tuesday which says that he is not going to give up the struggle for the presidential post.

He denied reports that he had refused to run for presidency and confirmed that if his candidature were nominated by any political organization or public movement, he will take part in presidential elections.

Rutskoy is a founder of the united opposition movement Concord for the Sake of Russia, which has among its members leaders of the Communist Party of the Russian Federation Gennadiy Zyuganov and of the Agrarian Party Mikhail Lapshin, and State Duma deputies Sergey Glazyev and Stanislav Govorukhin who represent the

Democratic Party of Russia. This organization is planning to nominate a single candidate for the forthcoming presidential elections. The name of the candidate is likely to be announced in October.

Yerin on Anticrime Decree Enforcement

LD2709195994 Moscow INTERFAX in English 1717 GMT 27 Sep 94

[Text] Law enforcement bodies have eliminated more than 300 criminal groups since the Russian president's anti-crime decree was brought in, Russian Interior Minister Viktor Yerin said at a press conference in Barnaul (East Siberia) this evening.

Yerin arrived in Barnaul today on a two-day working visit.

Yerin refused to comment on a possible government reshuffle. He said allegations about resignations in the government were appearing all the time.

Yerin intends to visit the republic of Gorno Altay (the former Gorno Altai autonomous region) on Wednesday.

Policeman Injured in Attack on Moscow Mint

LD2709174594 Moscow INTERFAX in English 1413 GMT 27 Sep 94

[Text] At 12.22 [0822 GMT] on Tuesday the Moscow Mint came under attack.

According to the medical authorities that received the information about the incident, two persons were wounded in the exchange of fire, one of them a policeman. The number of attackers is not yet known.

United Democratic Center Formed

MK2709115094 Moscow SEGODNYA in Russian 27 Sep 94 p 2

[Report by Gleb Cherkasov under the "Initiative" rubric: "Rank and File Democrats Unite Without 'Hyped' Leaders' Participation. The Leaders Are Unhappy About It"]

[Text] The founding congress of a new all-Russia organization—the United Democratic Center [UDC]—took place in Moscow on 24-25 September. Taking part in the work of the congress were 320 activists of 30 democratically oriented parties and movements from 55 Russian Federation components. Regional activists of the Democratic Party of Russia [DPR] were represented most heavily among congress delegates (88). There were also a great number of members of the Russian Social Democratic People's Party [RSDPP], the Party of Russian Unity and Accord [PRES], the Democratic Choice of Russia [DCR], the Russian Movement for Democratic Reforms [RMDR], the "Russia's Choice" movement, Democratic Russia," and also other lesser known democratic organizations. According to UDC organizing committee chairman Ilya Roytman, the congress that took place can be appraised as the very congress of democratic forces of whose necessity so much has been spoken lately.

Delegates who spoke sharply criticized Russia's current leadership who, the regional democrats thought, have totally forgotten the help they received during the election campaign. Congress delegates voiced the intention "not to cooperate with the ambitious political leaders" who virtually split the democratic movement, but to avail themselves independently of the fruit of their own political efforts. According to Valeriy Khomyakov of the organizing committee, society is under the wrong impression that the quarrel between Ivan Ivanovich and Ivan Nikiforovich [Gogol's fictional characters locked in a petty quarrel] who lead political organizations is a conflict between the structures, whereas Mr. Khomyakov thinks the quarrel is exclusively between the leaders and those close to them.

The UDC declaration points out that "the movement originated in the Russian regions rather than in the Moscow headquarters of political parties." The congress masterminds think "the creation of the UDC is a logical result of the daily practical activity by local organizations of democratically oriented political parties." Vladimir Kamchatov, the president's representative in Moscow, thinks "the goals set at the presidential elections have not been fully met especially as regards personnel policy, and it is to solve this problem that the UDC is being created." Mr. Roytman in his turn pointed out that it should be the UDC's goal "to unite democrats in the regions, to give them support so as to enable them to act in a single front in the regions," primarily during the local elections. The UDC also intends to launch preparations for parliamentary and presidential elections.

Those included in the working secretariat of the UDC are Irina Zubkevich (DPR), deputy chairman of the Duma committee for the affairs of public associations and religious organizations; Feliks Pashennykh, deputy of the same faction; Viktor Davydkin, "Russia's Choice" deputy; Vladimir Kamchatov, presidential representative in Moscow; Valeriy Khomyakov, New Regional Policy faction consultant; Maksim Dianov of the PRES staff; Ilya Roytman; Boris Gusletov, RSDPP representative; and Anatoliy Kisilev, RMDR representative.

According to the secretariat spokesmen, nearly 25 State Duma deputies have either joined the UDC or showed favorable attention. According to Mr. Roytman, the question of setting up an interfaction group or a faction (should a further 10 deputies wish to join the project) is currently being considered.

The reaction of the majority of leaders of democratic parties and movements to the forming of the UDC is hard to describe as favorable. "Democratic Russia" leaders have released a statement announcing that they had no part in organizing the congress. According to informed sources, Sergey Shakhray was also not exactly delighted by the fact that some regional organizations of the PRES joined the UDC. Yegor Gaydar has not reacted to the initiative yet, but the very fact that Viktor Davydkin, his opponent in the party, was included in the UDC secretariat can hardly hearten him. RMDR leader Gavriil Popov, however, has reacted quite favorably to the UDC.

Nikolay Travkin has spoken against his party's participation in the United Democratic Center. The DPR political council, held 24 September, amended the party rules so as to prohibit combining "membership in a leading organ of the DPR with membership in a leading organ of another organization," following which Irina Zubkevich was dropped from the political council.

As a result of Mr. Travkin's vigorous actions in the UDC founding congress' second day of work, representatives of 21 regional organizations of the DPR signed in the corridors a letter to its leadership demanding that an extraordinary congress be called this year "in connection with an extraordinary situation that has taken shape in the party."

Prosecutor on Probe Into Oct 1993 Events

MM2709110594 Moscow ROSSIYSKAYA GAZETA in Russian 24 Sep 94 p 2

[Interview with Oleg Gaydanov, Russian deputy general prosecutor, by Sergey Karkhanin; place, date not given: "The Amnesty Has Taken Place But the Investigation Goes On. Oleg Gaydanov, Russian Deputy General Prosecutor, Ponders the Lessons of October 1993"]

[Text] [Karkhanin] Oleg Ivanovich, now, on the eve of the anniversary of the tragic events in Moscow, people are again saying that, despite the State Duma amnesty, your department is continuing to investigate the circumstances surrounding those events. They are also saying that the investigation is one-sided because "victors are not judged...." What can you tell us about that?

[Gaydanov] Let us be clear right away: The State Duma decree speaks not of terminating the legal investigation but of applying an amnesty to specific individuals who committed punishable criminal acts connected with those events. We will investigate the case fully to finally establish what actually happened then and who was defending whose interests. How can a criminal case be halted when there are so many questions remaining? How can you explain to the victims who was to blame for their misfortunes and how the guilty have been punished? The rights of the victims, including rights relating to property, must be observed according to the law.

Another reason why the case could not be terminated was that not all the weapons stolen at that time have been tracked down yet. Some of those weapons, it transpires, were taken abroad and then brought back to Russia and are now in the hands of some very well known people.... Therefore according to the law we must conduct the full range of investigatory measures and make an appropriate assessment.

The main lesson of the October tragedy, I believe, is already clear: The political struggle must be conducted within the limits of the law and exclusively by legal means. Investigators will have done their duty to society and the state only when the finishing touches have been applied to this case.

I would note in particular that the statistics on the number of fatalities published soon after the events were corroborated by the findings of the legal medical experts, by research, and by testimonies and are being confirmed by interrogations of those who took part in these events, and on both sides, furthermore. Incidentally, the criticism of "one-sidedness" is entirely unjustified. The criminal case has brought to light dozens of materials relating to those who took part in the storming of the White House and who exceeded their official powers one way or another, these materials have been sent to the Internal Affairs Main Administration [GUVD] and the prosecutor's office in Moscow, and administrative and disciplinary proceedings have been instituted against the culprits. Several criminal cases were also launched, but under the State Duma decree those people have also been amnestied now.

[Karkhanin] But is the investigation not essentially pointless now? Even if new facts are unearthed you will not be able to punish anyone because of the amnesty.

[Gaydanov] That is not entirely true. When applying the amnesty, the state exempts people from criminal responsibility but does not exempt them from compensation from material damage caused. We are still receiving complaints from Muscovites whose apartments were ransacked or whose cars were stolen during the events. Consequently we need expert assessments, and they are impossible outside the framework of the criminal case.

[Karkhanin] By virtue of your official duty you are familiar with all the materials of the investigation. Might those events have developed according to a different and less bloody "scenario"?

[Gaydanov] In the interests of the investigation, I do not have the power at the moment to cite facts, but the criminal case does contain sufficient materials confirming that the situation could have developed along a more tragic path and there could have been even more casualties.

All the participants in the October events, no matter which side they were on, are given a legal assessment as the examination of the various incidents is completed. There were clashes not only outside the White House and Ostankino but also in the area of the State Customs Committee, for example, and in adjoining streets. However, we will publish the final results when the investigation is complete. The duration of that investigation has now been extended because more and more new facts are emerging and they must be processed. And I have to say that society already understands that it is not just a question of determining the responsibility of specific participants. It is necessary to investigate the situation as a whole and eliminate the causes and conditions which helped produce those events. This is not a question of political problems, of course, but of questions which fall within the framework of our preliminary investigation.

[Karkhanin] The confrontation between political camps often creates doubt about the objectivity of legal assessments. Someone described the recent investigation of the work of the GUVD and the prosecutor's office in Moscow as "revenge for the collapse of the case of the 'Rutskoy trust'"....

[Gaydanov] Unfortunately, there have indeed been quite a few rumors about the investigation: It is being said that it has been carried out almost to order. As team leader I can state with the utmost responsibility that this view is unjustified. We decided to examine the work of the anticrime campaign in Moscow because we had received thousands of complaints from Muscovites. People can see how defenseless they are in the face of murderers, thieves, and aggressors in our capital.

Criminals are coming to the city from all over the place. Bomb blasts, abductions of hostages, the disappearance of owners of privatized apartments—we could not and cannot dismiss all that out of hand. Incidentally, before the investigation began Moscow Mayor Yuriy Luzhkov stated: "I predict that your work will not be successful." But then, after a joint collegium of the Internal Affairs Ministry and the General Prosecutor's Office which discussed the results of the investigation, Yuriy Mikhaylovich admitted that the team had done a useful job for the capital.

The crime situation in the capital is characterized by some truly dreadful figures. The clear-up rate for intentional homicide in Moscow is one of the lowest in Russia. Out of 63 so-called "contract" murders committed this year, 46 have not been solved. Out of 150 murders committed during gang "showdowns," 131 have not been cleared up. In May 4,000 death certificates were removed en masse from the legal medical expert assessment bureau—no one inquired about them even though they relate to the cause of people's death.

In Moscow operational investigations are often not even conducted to establish the identity of individuals who have committed crimes. Weapons that have been confiscated are not checked against the relevant gun register. It is hard to imagine such things nowadays: I do not believe that there is any region where this kind of thing is happening.

In addition, the shortage of resources is not a valid justification here. You do not need additional resources to do your work conscientiously. I have to say that the sense of responsibility of some prosecutors and officers of the GUVD in Moscow has clearly become dulled.

After the investigation dozens of criminal cases were instituted. Dozens of workers in the capital's law enforcement agencies have been disciplined. But the most important thing is that we elaborated a whole set of practical decisions which are helping to remedy the situation.

I think that the leaders of the GUVD and the prosecutor's office in Moscow are capable of changing the situation for the better so long as, of course, they make greater demands on themselves and their subordinates and on those who try to use the particular conditions of the capital to excuse their own professional blunders.

[Karkhanin] One last question, Oleg Mikhaylovich. Is everything being done to ensure that the tragedy of last October is not repeated? Rallies and demonstrations are already taking place in Moscow.... What is the position of the General Prosecutor's Office?

[Gaydanov] Our position is simple: If someone tries to fan the flames of enmity again they will have to face the full extent of their personal responsibility for that action under the law. We will not take any account of party beliefs or views. I hope that there will not be a second amnesty: The country may not survive a repetition of those bloody events.

Dangers Seen in Raking Up Oct 1993 Events

MM2709134994 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 1

[Article by Aleksandr Golts under the "Topic of the Week" rubric: "October 1993: One Year On. Should Salt Be Rubbed Into Wounds That Have Barely Healed?"]

[Text] Recently a well known foreign journalist complained during a conversation with me that "Russia is becoming a rather boring country, there are no social upheavals." You can understand the journalist's point of view. It is stormy events, revolutions, coups, and countercoups, that provide him with a front-page story and ensure readers' attention and editors' affection. But, as a Chinese philosopher used to say, God forbid we live in interesting times. Since it is dramatic shifts that may cause incredible difficulties and sometimes even bloodshed for a country.

That is why I find it hard to understand those who ostensibly speak in the name of the people but at the same time talk about the coming "hot fall" with a kind of relish. They regard the anniversary of the October tragedy as a convenient opportunity to "hot up" society. And the self-styled opposition press is already devoting whole editions to denouncing the president and the government. While other seemingly democratic newspapers are mounting counterpropaganda, complaining that the country's leadership "did not properly straighten out" the opposition after October. A few days ago two excited ladies, discussing the lessons of October on television, went so far as to say that Russia needs a political secret police. A progressive one, of course. Which would sweep away those who threaten progress in accordance with revolutionary necessity.

I am sure that Russian citizens have not forgotten the war between the branches of power, Ostankino suddenly falling silent, or the tanks outside the White House. But should all that be an excuse for fueling fresh confrontation? What does Russia need more today—to rub salt into wounds that have barely healed or to ponder how to ensure that it never suffers such wounds again? I am sure that our society needs calm analysis of what happened—I stress, calm and without hysterics. At the same time we must try not to answer the question of "Who is to blame?" (since there will be no discussion in that case, just squabbling), but seek an answer to the question: "Why was this possible?"

In fact the government has no fewer opponents in the current parliament than it had in the Supreme Soviet. Moreover, they are often the same people. However, for good or ill, both branches of power are conducting their debates in a quite civilized manner. And the most serious forecast crisis is a vote of confidence in the government. Which, you will agree, by no means spells civil war. Consequently, the reasons for the October bloodshed lay in the obvious flaws in the state system at that time, compounded by politicians' excessive ambitions. Since these ambitions will never diminish, society should remember last year's events and ponder whether constitutional and other guarantees are sufficient now to avert strong-arm confrontation.

Regrettably, it does not seem that anyone intends to discuss that. You hear far more calls for demonstrations, marches, and rallies. And they have but one objective: To force their way to power atop a wave of disturbances. Yet that was precisely what led to bloodshed in October 1993. Then it turned out that the participants in these events, like their organizers, lose their sense of reality only too quickly. And succumb to a hysterical trance, which develops into carnage.

Admittedly, this time I have reason to be very moderately optimistic, but optimistic nonetheless. And that is precisely because we are becoming a "boring country." That is, a country where the majority (who only recently had faith in the "good" general secretary, president, and chairman of the Supreme Soviet) are beginning to feel healthy skepticism as regards both politicians and their promises to resolve all problems at a stroke.

Here too the events of October and those that followed have played a sobering role. Many people have realized that politicians have their own games to play, they drop out for a while and then come back into the game. Even losers are amnestied sooner or later. So that they can once again take part in this game that they (and they alone!) find appealing. But principles are of no consequence. What of the Kremlin's consistent frenzied adversary, Ruslan Khasbulatov, who is now asking the president whom he reviled to help him (once again using force) conquer Dudayev.

These reversals should provide food for thought for even Mr. Khasbulatov's most ardent supporters. There are fewer and fewer people wanting to be cannon fodder in someone else's fight for power. If social accord has been secured in our country, it is precisely through the majority's desire to keep out of conflicts among the authorities. More and more people realize that neither God, the czar, nor any hero will bring a prosperous and calm life. They have to organize that themselves. And the authorities' main task is not to hinder them from doing so (one can only dream of their helping out).

The question of the Army's position crops up automatically as always when the talk in political circles turns to the possibility of "stormy events." Paradoxically enough, in my view, an obvious extremist was closest to the truth here. The leader of the "Officers Union" not so long ago noted with considerable irritation that the bulk of officers are part of the "swamp," that is, they do not support any political grouping. So, leaving aside the boorish tone, you have to notice that Terekhov effectively acknowledged that officers, like all other citizens, want to do their job honestly and have no intention of getting into politics. That is, the Army is becoming just what it should be in a civilized society.

The reproaches that the Army "wavered" in October 1993 are also inappropriate, as are the charges that it "betrayed" the people. It saved the people then from the horrors of civil war. Even now in Russia, which is continuing the difficult road to a truly civil society, the Armed Forces remain the guarantor of stability. Only all politicians—in the Kremlin and in parliament—should ponder: Is it not disadvantageous to mistreat this guarantor? Or is it okay to have people's defenders whose power at the command center can be cut off by any headstrong official?

However, the Army's parlous position is the result and not the cause of the economic situation, which is may not be catastrophic, but is still exceptionally strained. Consequently, the authorities and the opposition should be arguing about practical matters today, namely how to overcome the crisis of nonpayments and the budget deficit and how to avoid the impoverishment of the people. After all, the threat of unemployment and rising prices are the real things that may provoke social protest. And it is not only pointless but also simply dangerous to rub salt in October's wounds.

Economic Issues

Glazyev Criticizes Government Economic Policy

LD2709195594 Moscow INTERFAX in English 1413 GMT 27 Sep 94

[Text] Chairman of the State Duma Committee on Economic Policy Sergey Glazyev (the Democratic Party of Russia faction) criticized the government saying that its economic policy was aimed against the interests of Russian producers.

Commenting on the results of the congress of the Federation of Producers (Cheboksary, September 21), Glazyev said at a press conference in Moscow today that the government was "establishing privileges for foreign companies and its performance is directed at encouraging financial-speculative business circles."

The post-voucher privatization was just another form of "stealing from the treasury" as "shares sold at very low prices become five or six times more expensive in a few months."

At the same time, when asked if he intended to raise the issue of resignation of the government in the beginning of the State Duma session opening next week, Glazyev told an Interfax correspondent that he did not intend to do so.

Glazyev said the congress of producers had decided to begin talks with the government and had created for this purpose a special commission led by Chairman of the Federation of Producers Yuriy Skokov.

The federation demands that the debt of state orders be paid within two months and a state program on overcoming the crisis of nonpayments and a project for taking enterprises into receivership be worked out.

Glazyev said the issue of voting no confidence in the government could be raised if the government of Viktor Chernomyrdin avoided talks.

Soskovets on Measures To Tackle Nonpayments

MM2709143194 Moscow ROSSIYSKIYE VESTI in Russian 24 Sep 94 pp 1, 2

[Article by Oleg Soskovets, first deputy chairman of the Russian Federation Government: "How To Solve the Nonpayments Problem"]

[Text] There are many interpretations of the term "nonpayments." Some regard nonpayments as a specific, purely Russian phenomenon, others have an oversimple approach, imagining that the payments crisis can be solved by a single act with the utmost speed, say within two to three weeks. In actual fact, the issue is more profound and complex. A nonpayments crisis is typical of all countries going through a transitional economic period. Virtually all the states of East Europe have been forced, to varying degrees, to tackle a similar task. The Russian economy ran into this problem at the end of last year, and the payments crisis emerged in its most acute form in the spring. At the present time it is one of the most serious obstacles to reforming the economy and tackling social problems. On the other hand, the payments crisis is a consequence of the fact that the structural reorganization of the economy has still not been properly carried out in the country; many production units have not been converted to produce competitive goods, while a considerable number of enterprises still continue manufacturing goods solely to fill their warehouses without tackling questions of marketing, market research, or customer demand.

It is necessary to make a clear distinction between the notions of overall debt and outstanding arrears. Overall debt is a perfectly normal phenomenon for the economy of any country. The payments crisis, however, is created by **arrears.** According to the State Committee for Statistics, outstanding accounts payable in terms of the country's economy as of June were 42 trillion rubles [R]. Accounts receivable are of the same magnitude. More than half the enterprises have debts which are overdue; moreover, while at the start of the year enterprises' monetary resources covered more than 50 percent of the debt, by the start of June they only covered one-quarter. It should be said that the arrears can be split into **four basic groups**: enterprises' debts to one another and debts in respect of tax payments, bank loans, and wages. The highest rates of indebtedness are observable in the latter three groups. Given the complexity and multifaceted nature of the problem and its influence on the further development of economic reform, the government—in execution of a Russian Federation presidential edict—decided **5 August 1994** to set up the Operations Commission for Improving the System of Payments and Settlements.

Having analyzed the nonpayments situation and pinpointed its basic causes, the commission set out a specific action plan to cover the rest of the year. Basically, work has been launched **in four areas**: the creation and improvement of the legislative and normative base for payment-settlement relations, and tackling the problem at the regional, sector, and enterprise level. The commission has specified a list of **legislative** and other normative acts on financial, taxation, and other issues connected with improving payment-settlement relations.

It was planned that priority status be assigned to the preparation of 24 documents. A draft Law "On Amending and Supplementing the Russian Federation Law 'On State Duty'," a draft Law "On Bailiffs," and a draft Law "On Final Process" have, among others, been prepared. Russian Federation presidential draft edicts "On Additional Measures To Regulate Settlements and Payments," "On the Transfer of the Accounts of Budgets of All Levels to Establishments of the Bank of Russia and the Federal Exchequer," and "On a Provisional Procedure for Regulating the Consumption Funds of Enterprises and Organizations" have also been drawn up. Statistical accounting which describes enterprises' debt has been expanded. Such accounting was introduced as of this 1 September for enterprises of the fuel and energy complex, the metallurgical industry, and the Ministry of Railways which are more than one month in arrears with wages. Work to improve the system of bookkeeping and financial statistics is being carried out.

With the aim of normalizing the payment-settlement relations of Russian Federation enterprises and those of the countries of the CIS and the Baltic a Russian Federation Government draft decree **on involving leading Russian commercial banks** in the regulation of these relations is being drawn up. The issuing of laws and edicts will **thereby** make it possible to normalize the legal basis of payment-settlement relations for all components of the market. The **regions** are assigned special significance in settling the nonpayments problem. It is at the regional level that a whole set of problems is concentrated, since it is there that the economic interests of enterprises, banks, and local and central bodies intermesh. In accordance with a government directive, the majority of the country's krays and oblasts have set up and started operating **regional commissions** for improving the system of payments and settlements.

The Operations Commission plans very soon to examine work to improve the payment-settlement relations of a number of components of the Federation, including Moscow, Nizhniy Novgorod, and Sverdlovsk Oblasts, St. Petersburg, and the Republic of Tatarstan.

Mindful that **ministries and departments** are assigned a big role in eliminating the payments crisis, the Operations Commisison has resolved to hear all the leading sectors of the economy at its sessions. This work began by analyzing nonpayments, pinpointing the causes, and drawing up specific solutions for enterprises of the **fuel and power complex**. Questions in this area relating to the electricity-generating industry, the atomic power industry, and the coal, petroleum, and oil-refining industries were studied in detail in September. Decisions were made to give financial help to individual enterprises in the fuel and energy complex in connection with preparation for work in the fall-winter period, to defer the repayment of previously issued centralized loans, to clear some of the tax arrears to the federal budget, and to clear current budgetary arrears to coal industry enterprises. A draft government directive has been prepared on a mechanism to clear reciprocal debt—the budget debt to enterprises with respect to current funding, and the fuel and energy complex enterprises' debt with respect to tax payments.

Given the considerable size of petroleum companies' outstanding accounts payable, it has been resolved to clear them, priority being given to clearing those payable to the federal budget as quickly as possible in line with a specially elaborated timetable. A series of measures of state support for the sector have been planned. In particular, work has begun to develop a mechanism ensuring petroleum companies have more extensive representation in the international market, including CIS countries. The question of removing the existing ceilings on supply-sales markups set for petroleum products enterprises has been examined. It has been decided to gear to the maximum extent possible the purchase of equipment for the petroleum and oil-refining industry to goods (including conversion goods) from domestic enterprises.

Coordinated action among **allied sectors of industry** is of great significance for solving the nonpayments problem. An initiative by the Ministry of Railways, the Ministry of Atomic Energy, the Russian Federation Committee for Metallurgy, the Russian joint-stock company "YeES Rossii" ["Unified Power System of Russia"], and the "Rosugol" ["Russian Coal"] state enterprise on joint actions **to stabilize prices** in the second half of 1994 and to reduce reciprocal nonpayments has been approved by the Operations Commission. A government decree has been adopted "On the Joint Actions of Base Sectors To Stabilize Prices and Tariffs and To Improve Settlements Among Enterprises for Goods Supplied and Services Rendered."

At its last session the Operations Commission heard the question of measures to eliminate the payments crisis in **railroad transport** enterprises. Among other items, it was resolved to set up an interdepartmental commission to establish charges for rail transportation, because enterprises of the Ministry of Railways, as natural monopolists, are starting to dictate their own terms when fixing prices.

The commission also plans to consider the state of affairs regarding nonpayments in **transport, communications, metallurgy, the agro-industrial complex, construction, and other sectors**. The brunt of the work in overcoming the payments crisis undoubtedly rests with the actual **enterprises**. Some enterprises have already adapted to market conditions and are operating successfully. However, the majority of enterprises have—for various reasons—proven unprepared for new management methods and have been unable to restructure. The upshot being that they often produce the wrong goods, the wrong quality of product, and have adverse financial indicators and large nonpayments.

It must be understood that the state can render financial support only to a limited range of enterprises manufacturing custom-made, high-tech products. And this work is under way. The remaining enterprises must basically rely on their own devices. Those that do not understand this have bankruptcy proceedings in store for them under market conditions. Work is under way to create a methodology to evaluate the activity of enterprises, industrial sectors, and regions in order to provide practical assistance in the work of improving payment relations at all levels of management of the economy. Normative acts have been prepared which ensure the large-scale employment in economic circulation of a **standard bill of exchange** when formulating commitments vis-a-vis goods supplied and services rendered. Here the experience of a number of leading Russian commercial banks, including the "Tveruniversalbank," the "Menatep" Bank, and others, has been taken into account, because in today's conditions bank capital has to play a large role in investment in production. A second issue of 1994 short-term state treasury bills worth R595 billion has been made with the aim of transferring the funds earned from their placement to pay defense industry enterprise orders.

The question of clearing **wage** arrears is an object of special scrutiny by the Operations Commission. The size of the debt is considerable, as of 1 September it stood at R3.9 trillion. The commission has made a number of fundamental decisions on this problem. First, in August it was resolved to clear the arrears in the payment of wages to workers in the educational sphere by 1 September. This task has now been resolved for practical purposes in all krays and oblasts. Second, the government has examined and resolved the question of clearing federal budget arrears in respect of wages. This primarily concerns workers in science, culture, the defense complex, and the law-enforcement agencies. But that does not remove the responsibility from local organs and leaders of joint-stock and state enterprises which also have similar debts. We appreciate that tackling the nonpayments **problem** is a long-term affair, but the **payments crisis has to be overcome** very quickly. We have no alternative.

Private Gazprom, Chernomyrdin Future Seen Linked

MK2709103094 Moscow NEZAVISIMAYA GAZETA in Russian 27 Sep 94 p 1

[Report by Nikita Gololobov in the "Property" column: "The Premier in the Role of a Lobbyist? Gazprom Is Passing Into Private Hands"]

[Text] An edict recently signed by Boris Yeltsin, establishing procedures for completing the corporatization of Russia's largest company, Gazprom, could become a classic example of lobbying by top state officials for their own interests in the course of privatization. Gazprom, created and led for several years by Viktor Chernomyrdin, is to pass fully into private hands. Until now the controlling stake in this company—the domestic monopolist in the extraction, processing, and transportation of gas—has belonged to the state. Now, after the promulgation of this edict prepared by the government apparatus, also headed by former Gazprom employee Kvasov, the stocks held by the state will be realized ahead of time according to a scheme to be defined by the government.

Furthermore, under the edict, in the very near future a large lot of Gazprom stock will be sold in, of all places, Vladivostok. Probably to make sure that the fruit of the market economy could be used not only in Moscow but also in the periphery? Or maybe because, according to Yegor Gaydar, a mafia-totalitarian regime has been formed and activated in the Maritime region, where everything that is not to the liking to Governor Yevgeniy Nazdratenko (who, incidentally, is on good terms with the premier), is stamped out instantly? There, Special-Purpose Militia Detachments throw the vice mayor out into the street, attacks the editorial offices of unamenable papers, and beats up journalists. Apparently the idea is that under Nazdratenko's watchful eye, Gazprom shares will go where they should.

Signs are that talk, long circulating in the White House, that Viktor Chernomyrdin is thinking about returning to his dear Gazprom after two years of unsuccessful attempts to lead Russia's economy out of the crisis, is being confirmed. Now even the greatest natural asset—gas—as well as all the related revenues will pass into private hands. The company will belong to those who, in Chernomyrdin's opinion, should own it. Maybe also to himself?

A high-ranking U.S. diplomat in Moscow thus commented on this situation: Russia, in spite of all the chaos, remains a superpower if only because super-lobbyism is rampant here. Where else is it possible for an incumbent prime minister so openly to be preparing for himself a site for a "cushy landing" after resignation? Where else is it possible so calmly, without fearing either moral condemnation by the public or a severe court ruling, to divide colossal chunks of state property in one's own interests?

Deputy Premier on State Investment Priorities

MM2709150394 Moscow ROSSIYSKAYA GAZETA in Russian 24 Sep 94 p 10

[Report by A. Yevgenyev on interview with Ya. Urinson, first deputy minister of economics; place, date not given: "Where Will Investments Go? Ya. Urinson, First Deputy Minister of the Economy, Talks About the Concept of State Investment Policy for 1995"]

[Text] [Urinson] Some people, not without reason, call the crisis which the Russian economy is currently undergoing a crisis of investment. The drastic change in the parameters of demand has brought about a need for huge sums for the reorganization of industry. These sums could not be provided by the system of centralized capital investments, which has proved ineffective and hence is now being gradually curtailed, and the new market and semimarket structures have preferred to steer clear of commodity producers, earning their bread and butter by far more straightforward speculative transactions.

The first signs of stabilization make it possible to expect that we will be able to restructure the entire investment mechanism and create the prerequisites for an upturn in the Russian economy as early as next year. The ministry believes that in 1995 we will be able to achieve a budget deficit of 7-8 percent of GDP and reduce average monthly inflation to 3-5 percent, and in December even to 2 percent. In these conditions the refinancing rate [stavka refinansirovaniya] will decrease (already this year it has "dropped" from 210 to 130 percent), many projects will promise a return, and private investments will appear.

It cannot be said that such investments do not exist already today. Look at the money that is being invested in housing. The second phase of privatization—the monetary phase—is expanding. Despite everything, ordinary people are acquiring shares in privatized enterprises, and entrepreneurs at investment auctions are preparing to invest funds in the purchase of industrial facilities. The privatizers [privatizatory] themselves are launching the second issue—this too means funds for development.

The experts' view is that all this will proceed more dynamically if we manage to keep inflation within the parameters of 2-5 percent per month, if the normatives become constant, and finally, if elementary rules are observed: If you are not paying your supplier, be so good as to refrain from paying share dividends; if you are not issuing pay to your workers—do not keep money in a hard currency account. Here the state is obliged to show consistency and firmness, Urinson insists.

Next year, 1995, will be a difficult year for all of us. Essentially, it is suggested that we live off our own resources. At the same time, first and foremost we will have to save those things which will simply perish without support. The famous Kizhi or Russia's first national library in St. Petersburg weigh nothing in the economic scales, but they are our priceless spiritual treasures. Our descendants will not forgive us if we lose them irrevocably. Where money should be specifically allocated from the federal budget will be decided on a case-by-case basis. The same goes, for example, for science. It will be mainly "cutting-edge" technologies, those spheres where we have a [scientific] school and priorities, which will be funded from the budget. The rest will receive the minimum funding. They will essentially have to rely on themselves. Applied science should be supported by orders from industry. Naturally, education and health care will receive their share of the budget. The funding of the construction of housing for servicemen will be ensured. Overall, expenditure of this kind, according to Ministry of Economics calculations, will account for 70 percent of our investment possibilities. It is proposed to use the remainder only for effective projects.

However, what does "effective" mean? The ministry proceeds on the basis that it is difficult, and sometimes impossible, for a civil servant to evaluate effectiveness on paper. The civil servant risks nothing except his pay and position. Therefore no evaluations will work until they are backed by guarantees from commercial banks. Investment should be distributed primarily on a competitive basis. The state is must invest money only in projects in which the private investor participates, putting his money in the kitty. If there is one state ruble to every three or four "private" rubles, we can feel safe: The state's money will not be filched, it will not stagnate in interminable construction projects, it will bring in proper returns.

The mandatory condition is that the recoupment period of these projects should not exceed two years. At the moment we cannot allow ourselves any longer.

It is even unimportant to me whether this is advanced technology or not so very advanced. It does not matter what it produces—slippers or computers. The main thing is that it should be output which the market needs, which will start bringing in profits.

At the moment we are still only learning how to seek out and accumulate major capital. But theoretical schemes are already being translated onto the practical plane. Great hopes, for example, are pinned on creating investment financial consortiums. In this case the group of banks participating in the consortium issues securities with state guarantees. They are attractive for the customer, highly liquid, and in great demand. Naturally, such shares will bring in considerable funds, which will be channeled exclusively into funding investment projects proposed by the Ministry of Economics. An agreement about the terms of operation of one of the first such consortiums was recently signed in Moscow by leaders of several commercial banks, the Ministry of Finances, and the Ministry of Economics.

State Representatives Appointed to 'Energiya' Board

MM2709104594 Moscow ROSSIYSKAYA GAZETA in Russian 22 Sep 94 p 5

[Unattributed report: "News Items"]

[Text] A Russian Federation Government directive has approved the state representatives submitted by the Russian Goskomimushchestvo [State Committee for the Management of State Property] for the board of directors of the S.P. Korolev "Energiya" Space Rocket Corporation. Yu.N. Koltev has been appointed general director of the Russian Space Agency, and A.G. Bratukhin, deputy chairman of the Russian Goskomoboronprom [State Committee for the Defense Sectors of Industry], and M.S. Kalinin, chief of a Russian Goskomimushchestvo Main Administration, have been appointed his deputies. The representatives of federal organs of executive power on the corporation's board of directors jointly represent the state's interests relating to shares in federal ownership at the shareholders' meeting.

The Russian Federation Government has agreed to a proposal by the Russian Ministry of Fuel and Power Engineering, supported by the Russian Ministry of Economics, the Russian Ministry of Finance, the Russian Goskomoboronprom, the Russian Committee for Machine Building, the Russian Committee for Metallurgy, the Russian State Customs Committee, and the Russian State Committee for Statistics, to hold the exhibition "Conversion and Machine Building for the Fuel and Energy Complex" in Moscow in October-November 1994 and has passed the corresponding directive. Interested enterprises and organizations will be involved in the exhibition's work.

The Russian Federation Government has accepted a proposal by the Russian Ministry of Protection of the Environment and Natural Resources to hold the All-Russia Nature Conservation Congress in Moscow in the second quarter of 1995 and has passed the corresponding directive.

Aleksandr Zaveryukha has been appointed chairman of the organizing committee to prepare for and hold the congress. The organizing committee will enlist various nonbudgetary sources, including organizational and sponsorship payments by interested Russian and foreign legal and physical persons, to fund the measures with regard to preparing for the congress.

'Unprecedented' Dollar Rate Set To Continue

LD2709154494 Moscow ITAR-TASS in English 1434 GMT 27 Sep 94

[By BUSINESS-TASS]

[Text] Moscow September 27 TASS—An unprecedented dollar exchange rate of 2,476 rubles to the dollar has been registered at the Moscow Inter-Bank currency exchange today.

In the opinion of experts, the rate will continue to increase due to the enormous hard currency demand on the part of commercial banks and passive behaviour of the Russian Central Bank at the exchange. The bank used to sell hard currency to balance the demand and the supply, said the experts.

Today the bank did not sell hard currency despite the fact the demand exceeded the supply by almost four times: The demand was estimated at 273.70 million U.S. dollars as compared to the supply of 57.15 millions.

The gap between the supply and the demand shows it is much more profitable for commercial banks to buy hard currency and not to sell it. On the other hand, commercial banks have considerable ruble reserves. This situation will entail sharp deficit of hard currency and the dollar exchange rate will be skyrocketing.

According to specialists of the Russian Central Bank, the dollar exchange rate has neared 2,495 rubles to the dollar. Wednesday's tenders are expected to witness another rate increase.

The bank passiveness at today's tenders is partially caused by the changed macro-economic policy of the Russian government, believe the exchange experts. It seems that the increased dollar exchange rate is necessary to attract foreign investments to the economy.

Specialists of the State Committee for Statistics forecast a dollar exchange rate of 3,500 rubles to the dollar by the end of this year if the price rise does not stop.

Experts Comment on Economic Outlook

MM2709102194 Moscow IZVESTIYA in Russian 22 Sep 94 p 2

[Report by Irina Savvateyeva: "People Have Started Accumulating Money. Why Would That Be?"]

[Text] Yet another structure which will engage in preparing economic information has appeared in Russia. The recently emerged Institute of Economic Analysis sees its main task as analysis of the macroeconomic situation in the Russian Federation and other states of the former USSR. Andrey Illarionov, former adviser to Viktor Chernomyrdin and head of the institute, depicted it as an independent, nonstate, noncommercial organization. A few days ago journalists were familiarized with the researchers' first product—a survey of the Russian economy in August 1994. It was commented upon by Andrey Illarionov and Richard Layard, head of the Center for Economic Research at the London School of Economics.

Andrey Illarionov noted the buildup of negative potential in the financial sphere, despite the fact that outwardly the situation looks perfectly respectable: In August inflation dropped to 4 percent, while in September, in Illarionov's view, it will be between 6 and 8 percent.

At the same time, there are unfavorable trends. In July credit emissions, the funds from which are intended to cover the budget deficit, rose sharply. Whereas before this time Central Bank credits stood at 6 percent of GDP, then in the middle of the summer this indicator was already 14 percent. For the first time this year the monthly credit reached 7 trillion rubles [R], whereas until then R3 trillion had always been enough.

Thus R25 trillion have already been allocated to finance the budget deficit. When the annual limit is R36 trillion. Andrey Illarionov noted that the financing of enterprises and the needs of the state apparatus is progressing at an accelerated rate.

Another trend which worries the experts from the Institute of Economic Analysis is the swift rise in Central Bank currency reserves, which is being funded by credit emissions. According to the calculations of Mr. Illarionov, in February through September 1994 these reserves grew by $4 billion, which required expenditure of roughly R8 trillion. Experts from the institute believe that the Central Bank's currency reserves have now reached the levels necessary to guarantee Russia's economic security. The $7 billion which the Central Bank has at its disposal today is quite enough to cover the needs of state imports for three and a half months. Continued activeness by the Central Bank in this direction may not only increase the money supply, but also destabilize the currency exchange rate. After all, the ruble demand for currency, which is growing intensively, may cancel out the positive trend of recent months—the increase in foreign investments in Russia.

The explanation which Andrey Illarionov gave for the phenomenon of low inflation in recent months is curious. According to him, attention should be paid to the speed at which money circulates, which determines the rate of price increases together with the change in the money supply. So, despite the fact that the money supply has been growing in recent months and inflationary potential has thereby built up, the speed of the circulation of money has started to drop significantly since the beginning of spring 1994. The reasons: The increase in the demand for rubles, and the strengthening of the population's inclination to save. These trends are also conditioned by the substantial recovery in the securities market.

Henceforth, Mr. Illarionov suggested, the speed of circulation of money may remain unchanged. But only until the rise in the money supply becomes so considerable that an explosion of inflation becomes inevitable. At any rate, specialists from the Institute of Economic Analysis believe, considerable inflationary potential has built up in Russia, and a rise in the rate of inflation before the end of the year remains inevitable.

Meanwhile, an increasing number of states which are former USSR republic are reaching the stage of financial stabilization, that is, a situation where monthly inflation rates do not exceed 2-3 percent a month. Hot on the heels of the states of the Baltic region, Kyrgyzstan, Moldova, and Ukraine, Armenia and Azerbaijan have attained financial stabilization. Now in both states the rate of price rises barely exceeds 3 percent a month.

As for the state of affairs in industrial production, then here it is too soon to speak of stabilization, as the government is doing—this is the view of the specialists at the Institute of Economic Analysis. Here are the figures: The average level of industrial production for the three summer months of 1994 was 23 percent down on the indicators for the same period last year. However, there is nothing dramatic in this, the institute believes. First, the figures relating to consumption indicate that in actual fact things are not that bad: Household consumption in the past seven months of 1994, according to data from Mr. Layard, was 10 percent up on the same period last year. And in the face of the growth of inflation, a rise in industrial production would only mean the artificial boosting of demand.

Real stabilization in industrial production is possible only after the following conditions have been achieved: Inflation rates do not exceed 40 percent a year; there is growth in savings in real terms, as well as growth in investments; there are a number of institutional changes, including the introduction of full-fledged private ownership of land; and the clarity of the government's economic policy evokes confidence in society.

The experience of East European countries shows that even after all these preconditions have been attained, another 18-24 months of "incubation period" will be needed for economic players to adapt to the new economic conditions. And only then can any kind of growth in industry be expected.

Commenting on the cartel agreement on the stabilization of prices concluded recently by the oil workers, miners, power workers, metalworkers, and railroad workers, Andrey Illarionov noted: A cartel agreement can be successful only when it is global, that is, a planned economy. A partial agreement of that sort is doomed to remain unworkable and short-lived.

Finally, here are a few curious figures regarding our incomes. Today the average wage in Russia is $110. However, according to specialists, in the very near future a country with our level of economic development can expect the price of labor to rise (along with the prices of all other goods) to around 50-60 percent of American levels. And in the long term, since Russia is an oil-extracting and oil-exporting country, our wages (and other prices) may increase to 70-80 percent of American levels.

Inflation, Consumer Price Dynamics Detailed

MM2709104994 Moscow ROSSIYSKAYA GAZETA in Russian 23 Aug 94 Weekend Edition p 4

[Unattributed report: "Rate of Inflation"]

[Text] The overall inflation index for Russia stands at 101.4 percent for the week just ended, and at 102.9 percent for the period since the beginning of the month. BIZNES-TASS was told this yesterday at the Russian Federation Government Center for the Current Economic Situation.

Prices of nonfood commodities grew more rapidly than prices of food products and paid public services. The growth in food commodity prices was equivalent to 1.3 percent, and to 1.6 percent for nonfood commodities.

The difference in the dynamics of consumer prices among the individual economic regions in the past week was insignificant, amounting to 1.4 percentage points. The biggest increase in prices of goods and services was recorded in cities of the North Caucasus and West Siberian regions—2.1 percent.

The growth of prices of consumer goods and services in Moscow and St. Petersburg was again lower than the Russian average, and stood at 1 and 1.3 percent respectively, a repeat of last week's figures.

The average cost of a basket of the 19 most important food products was 63,000 rubles per month, which is 0.7 percent higher than last week.

Latest Unemployment Figures Cited

MM2709104394 Moscow SELSKAYA ZHIZN in Russian 27 Sep 94 p 1

[Unattributed report: "Unemployment Rising"]

[Text] Since the beginning of the year the number of people officially registered as unemployed in Russia has risen by a factor of 1.7 and, according to Russian Federation Federal Employment Service data, stood at 1,392,000 people as of 1 September 1994.

As for the rise in the number of unemployed, since the beginning of the year over 556,000 people have registered as unemployed. At the same time the greatest rise in unemployment was discerned in Karachayevo-Cherkesia, Orel Oblast and Jewish Autonomous Oblast, and also in Tatarstan, Khabarovsk Kray, and Amur Oblast.

We would add that townspeople are particularly hard hit by unemployment while this problem has only affected one-fourth of all Russians living in the countryside.

Military, Nuclear & Space Issues

Defense Ministry Denies Participation in Border Exercise

MM2709110494 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 1

[Statement by Russian Federation Defense Ministry Information and Press Directorate: "Russian Armed Forces Did Not Take Part in Border Troops Exercises"]

[Text] Several mass media have carried a report claiming that Russian Federation Armed Forces allegedly took part in the Russian Federation Border Troops' "Vostok '94" command and staff exercises.

These reports do not square with reality. Not a single Russian Armed Forces subunit took part in the Russian Federation Border Troops' "Vostok '94" exercises.

New General Staff Directorate Chief Appointed

MM2709115594 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 1

["Own Information" report: "New Chief of General Staff Main Organization and Mobilization Directorate"]

[Text] Russian Federation Presidential Edict No. 1794s of 30 August 1994 has appointed Lieutenant General Vyacheslav Vladimirovich Zherebtsov chief of the Main Organization and Mobilization Directorate and deputy chief of the Russian Federation Armed Forces General Staff.

Lt. Gen. Vyacheslav Vladimirovich Zherebtsov was born in Chita 28 September 1947. After graduating from the Far East Higher Tank Command College in 1968 he served in various command positions. He graduated from the Armored Troops Military Academy in 1979 and from the Armed Forces General Staff Military Academy in 1990.

Before being appointed he had been first deputy commander of the Transbaykal Military District.

Army Budgetary Support Fund Plans Cancelled

MM2709124394 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 2

[Report by Vladimir Yermolin: "What Coming Month Holds. Army's Budget Funding at Issue. No Question of Extrabudgetary Funding"]

[Text] The press release disseminated by the Russian Federation Finance Ministry before the start of the press conference "Current Economic Situation and Funding of Budget Expenditure" states in particular that: "The government has hitherto not stated that the expenditure figures indicated in the budget are based on overstated inflationary expectations. Thus, if defense spending is amended solely for the difference in the inflation rate, it should come to around 32 trillion rubles [R] rather than R40.6 trillion over the year."

To this it should be added that Article 32 of the Russian Federation law on the federal budget for this year, which covers the creation of a special budgetary support fund for the Armed Forces, is doomed not to be carried out. Answering a question from KRASNAYA ZVEZDA's correspondent, Deputy Finance Minister Sergey Aleksashenko said that this fund is not being set up because the main calculations had been based on privatization receipts. But so far these proceeds have not reached the planned level (not to mention the sums which parliamentarians had counted on).

How, on the whole, is the 1994 federal budget being carried out? According to a forecast from the financial department, budget revenue will come to R63-64 trillion, and expenditure to R125-128 trillion. This means that the nominal expenditure ratified in the law on the budget will, on average, be 64-66-percent implemented. It will be possible to collect around 51-52 percent of taxes. This situation, in the Finance Ministry's opinion, is due to a lower inflation rate than was predicted by the Economics Ministry, to a larger fall in production (20 percent compared to last year's results as opposed to an 8-percent forecast in March), and, finally, to the inability of tax organs to collect the taxes which it was planned to collect.

Panel Views Law, Order in Forces

MM2709145594 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 94 p 1

[Report by Russian Federation Defense Ministry Information and Press Directorate: "Russian Federation Defense Ministry Collegium Session"]

[Text] The state of and measures to strengthen legality, law and order, and military discipline in the Russian Federation Armed Forces and to implement the federal program to step up the fight against crime were discussed at the latest Russian Federation Defense Ministry Collegium session under the leadership of Army General P. Grachev, defense minister. A report on this issue was delivered by Lieutenant General of Justice V. Panichev, Russian Federation deputy general prosecutor and main military prosecutor.

The report and speeches noted that the state of legality, law and order, and military discipline in most Russian Federation Armed Forces large strategic formations is ensuring the fulfillment of the tasks facing them. At the same time, some officials are not taking effective measures to strengthen military discipline, prevent deaths and injuries among servicemen, or eradicate nonregulation relations among their subordinates. There continue to be violations of the rights of servicemen and their family members, and the level of their legal protection remains low. Work with draft dodgers remains unsatisfactory. People have been tardy in studying and implementing the requirements of the Russian Federation Armed Forces' General Military Regulations and orders and directives from the Russian Federation defense minister.

It was stressed that the socioeconomic situation in the country is having a negative impact on the state of discipline and law and order in the Armed Forces. But the adoption of the federal program to step up the fight against crime, and the military-law reform in progress present favorable opportunities for creating a broad front of joint efforts by the command and law-enforcement organs to strengthen legality, discipline, and law and order among the troops.

The Defense Ministry Collegium session defined specific measures to further strengthen legality, law and order, and military discipline in the Russian Federation Armed Forces.

The Defense Ministry Collegium also examined the question of the work done to provide facilities for the troops withdrawn to military districts. A report was delivered by Colonel General A. Solomatin, chief of the Russian Federation Armed Forces for Construction and Troop Billeting. It was noted that the provision of facilities for troops withdrawn from the countries of East Europe and the construction of housing for them is one of the most important tasks facing the Russian Federation Defense Ministry, and one which must be resolved no later than 1996. This state task will have to be carried out in the context of very limited budget funding. In the first eight months of this year the Defense Ministry has received just R1.2 trillion from the Russian Finance Ministry—25.1 percent of the envisaged annual appropriations. It is for this reason that the targets in respect of the provision of housing for servicemen and the provision of facilities for troops withdrawn are not being met this year.

Russian Acting General Prosecutor A. Ilyushenko and representatives of the Russian Federation Presidential Staff, the State Legal Administration, the Federal Counterintelligence Service, and the Russian Federation Justice Ministry took part in the Collegium's work.

New 'Optimistic' Mood in Defense Industry

MM2709161394 Moscow IZVESTIYA in Russian 24 Sep 94 p 2

[Report by Viktor Litovkin: "Russia Will Take Not Missiles But Mock-Ups to the Exhibition in Greece. But Journalists Were Still Shown Real Weapons"]

[Text] The State Committee for the Defense Sectors of Industry [Goskomoboronprom] and the "Rosvooruzheniye" State Company have staged an unprecedented event. On the eve of the opening of international arms exhibitions in Greece (4-8 October), Slovakia (5-8 October), and Bulgaria (8-12 November) they organized a trip for Russian and foreign journalists to three of our country's major arms centers—Tula, Klimovsk near Moscow, and St. Petersburg—whose output will be represented at the exhibitions abroad.

One of the Goskomoboronprom experts explained the essence of his venture to me as follows: It is rather costly to take weapons to them, and we will mainly be taking to an exhibition panels with photographs and with tactical-technical data of combat hardware and mock-ups of certain models, while specialists and journalists can see what it is really like in our country and speak with the designers and creators of the world's best weapons. We are prepared to afford them this opportunity.

It really was an unusual opportunity. Journalists visited defense firms which used to be kept tightly closed. Such as the Tula Machine-Building Design Bureau, which has created a number of unique models of weapons, including the celebrated—mainly in the West—Kornet, Metis, and Konkurs antitank missile systems, the Tunguska-3 (called Pantsir in the design bureau) and Kashtan antiaircraft artillery missile systems, the Krasnopol and Kitolov laser-guided artillery shells, the system of antitank weapons for the BMP-3 [infantry fighting vehicle-3], which Kuwait has now acquired, as well as the very powerful Vikhr missile for arming the Ka-50 helicopter (it can hit both armored targets on the ground, like tanks and self-propelled guns, and other helicopters and even aircraft, and such missiles exist nowhere else) and a number of other types of arms.

My colleagues and I also visited Tula's "Splav" GNPP [expansion unknown], renowned for its Uragan and Smerch salvo fire systems, the latter of which Kuwait also purchased recently for its armed forces, as well as the Central Scientific Research Institute of Precision Machine Building at Klimovsk (IZVESTIYA readers know it for the silent underwater weapon which we have already described and which journalists were able to watch in action), and also St. Petersburg's "Almaz" TsMKB [expansion unknown], which designed the fastest and most powerful Zubr-type Russian hovercraft and Bora skeg-type ships, guided missile ships and boats armed with supersonic Moskit missiles and the Uran missile, as well as the private plant of the same name, which today builds these ships for the fleet and for the border troops' sea units.

Many of these kinds of weapons will put in an appearance at future exhibitions, albeit on plotting boards and as mock-ups, but for the first time. The producers of combat hardware spoke to the representatives of the mass media in very great detail about their combat potential and about present trends in the development of means of armed struggle. As always in such cases, it proved an interesting discussion, but the most striking thing was that many designers and production workers, in demonstrating combat hardware to us, had ceased complaining about the lack of money to produce it (an entirely new note in relations between the press and the creators of arms).

The "Splav" GNPP and Tula's "Shtamp" Plant, four percent of whose capacities were once engaged in producing samovars but otherwise turned out only military output, even received the first state prize in Russia for carrying out conversion. They now produce steel cylinders for compressed gas for Germany, have signed a five-year contract worth 25 million German marks with the FRG in this regard, and are ready to conclude a number of other agreements with German firms for the construction of garbage-processing plants and the creation of local heating systems. So it is not Smerches, although both Tula and non-Tula defense industry workers will not yet manage without them, that are starting to rescue military plants from ruination and their collectives from total unemployment.

Anatoliy Korolev, director of the "Almaz" Shipbuilding Firm, also spoke of new "civilian" orders. The flotation of shares in the previously closed defense enterprise has enabled it not to dangle on the state's debt hook (although it owes "Almaz" approximately 20 billion rubles) but to seek and find reliable foreign partners who provide highly skilled shipbuilders with long-term work. "If only they do not hinder us," Korolev said of his former "masters," "we will be okay."

So our defense industry workers are evidently going to the latest international arms exhibitions not only with mock-ups of weapons and combat hardware and with stands with photographs of them but with what is, for them, a new mood whereby one percent of optimism has appeared alongside 99 percent of perplexity and sorrow.

Cosmos-2292 Placed in Orbit

LD2809082194 Moscow ITAR-TASS World Service in Russian 0707 GMT 28 Sep 94

[Text] Moscow, 28 Sep (ITAR-TASS)—The artificial Earth satellite Cosmos-2292 was launched by a Cosmos rocket-carrier from the Plesetsk cosmodrome on Tuesday. The satellite is to be used in the interests of the Russian Federation Defense Ministry.

The satellite has been placed in an orbit with the following parameters: period of revolution - 108.6 minutes; apogee (maximum distance from the Earth's surface) - 1,973 km; perigee (minimum distance from the Earth's surface) - 408 km; orbital inclination - 82.6 degrees.

The apparatus on board the satellite is working normally.

Cosmonauts Continue Daily Experiments

LD2709134394 Moscow ITAR-TASS in English 1314 GMT 27 Sep 94

[Text] Mission Control Centre September 27 TASS—Cosmonauts Yuriy Malenchenko, Talgat Musabayev and Valeriy Polyakov of the 16th main space expedition on board the orbital complex Mir go ahead with the planned research and experiments.

Under the astrophysical research programme, the cosmonauts daily conduct experiments with the use of the international orbital observatory Roentgen which has been in operation in space for more than seven years. A regular session of observations of one of x-ray pulsars in the centre of our galaxy was scheduled for Tuesday.

Using an infra-red spectrometer mounted on the Quantum-2 module, the cosmonauts performed an experiment to obtain research data on the surface layer of the moon.

Preparations have been launched to welcome aboard the members of the 17th main expedition. On Tuesday the crew are busy checking radio communication facilities.

According to medical control data, the state of the cosmonauts' health is good and they are feeling well.

The flight of the orbital complex Mir is proceeding according to programme.

International Space Crews To Work at Baykonur

LD2709143694 Moscow ITAR-TASS in English 1349 GMT 27 Sep 94

[By ITAR-TASS correspondent Viktor Gritsenko]

[Text] Moscow September 27 TASS—On Wednesday, two planes will carry to the Baykonur space port a main and a back-up crew of the international space mission which is due to be launched on October 4. Last prelaunch activities include medical monitoring, physical exercise on trainers and another drill of the docking with the Mir station.

In addition, the main crew consisting of Captain Aleksandr Viktorenko, Flight Engineer Yelena Kondakova and researcher astronaut Ulf Merbold of the European Space Agency (ESA) will train the "reception" of Soyuz TM-20 spacecraft and have a pressure suit fitting.

The back-up crew—Yuriy Gidzenko, Sergey Avdeyev and European astronaut Pedro Duque—are also preparing for the launch. Which crew is flown will be decided on the launching day by a state commission.

The ESA sends its astronaut to obtain evidence on effects of the long-term, 30-day mission on the human. Experts plan to use the evidence in future missions to the international orbiting station "Alfa" which is to be built by 2002.

The Russian astronauts have long been past the 30-day limit of space missions. The Russians are setting new records. Valeriy Polyakov, a physician who is now staying in the Mir station, will spend one year and three months in space. He is to come back, together with Aleksandr Viktorenko and Yelena Kondakova, on March 26. The Russian female astronaut has ahead her 174 days in the Mir station.

IZVESTIYA Apologizes for Proton Story

MM2709130194 Moscow IZVESTIYA in Russian 24 Sep 94 p 2

[Unattributed report: "'Fish' for 'Proton' Proved a 'Canard'"]

[Text] Talk of declining interest in the printed word is an idle fabrication. Even the most insignificant report is capable of eliciting a heated response from the reader. On 14 September IZVESTIYA front-paged a REUTER agency picture inscribed "'Fish' for 'Proton.'" The subject and the five lines of text stated that employees of the Khrunichev State Space Science and Production Center play dominoes in their lunch break and that there are protracted smoking breaks there, because the space conveyor belt in Russia, like the entire defense industry, is malfunctioning.

But A. Kalinin, deputy director of the science and production center, has sent the editorial office an explanation, from which it follows that the plant is working with a full load. Seven "Protons" have already been launched since the beginning of the year. New launches are being prepared. It is all a matter of profitable contracts with foreign partners. Thanks to this, wages are paid at the enterprise without delays.

Thus, the domino players' smoking breaks are not getting any longer at "the Khrunichev." IZVESTIYA is pleased for this enterprise, which has managed to turn out a "rara avis" in the Russian military-industrial complex, and apologizes to it.

Breakthrough in Electromagnetic Radiation Reported

LD2709110794 Moscow ITAR-TASS World Service in Russian 0531 GMT 27 Sep 94

[By ITAR-TASS freelance correspondent Irina Pertseva]

[Text] Kremlev, 27 Sep—In July and August this year the VNIIEF [All-Union Research Institute of Experimental Physics], Russia's federal nuclear center at Arzamas-16, now known as Kremlev, achived a major scientific success. For the first time the possibility of developing an atomic station which generates electromagnetic radiation instead of electricity was demonstrated experimentally.

Aleksey Sinyanskiy, head of the laboratory where the work was done, told ITAR-TASS that the institute obtained similar results in the 1970's. It managed to achieve the effect of transforming the kinetic energy of particles scattered by the fission of uranium nuclei into laser beams, that is, high-quality electromagnetic radiation. However, news of this scientific discovery could not be published at the time because of the secrecy surrounding the nuclear center. In subsequent years our scientists accumulated unique experimental data and discovered effective laser environments operating in a broad optical range and at very low levels of input. All of this made development possible and in July and August this year to start up a new kind of nuclear-laser installation which operates in a continuous cycle—the same cycle used in conventional power-generating reactors at nuclear power stations.

The experimental installation was developed out of the BIGR fast-burst, graphite-moderated reactor, the world's most powerful pulse reactor, which has been in use at VNIIEF since 1977. The laser generation obtained on this installation lasted for several seconds and only ceased when the reactor itself was shut down. No nuclear-induced laser has ever operated in such a way before. Basically, this installation is the prototype of a self-contained nuclear-laser converter. It could lead eventually to the development of an atomic light station (ASS), which will be substantially safer, more reliable and environmentally sound than atomic power stations (AES).

Regional Affairs

Groznyy 'Relatively Quiet'; No New Clashes Reported

LD2809110694 Moscow ITAR-TASS in English 1049 GMT 28 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy September 28 TASS—It was relatively quiet last night in Groznyy. The city lives in a usual way, enterprises are working, the city transport sometimes appears. There were no breaks in the supplies of gas, water and electricity.

According to the Interior Ministry of Chechnya, the situation in Groznyy and other territories controlled by the government forces was quiet. There were no reports about new clashes with the opposition. The number of casualties in Tuesday clashes is still unknown.

Moscow Issues Statement on Chechen Situation

LD2709163994 Moscow ITAR-TASS in English 1458 GMT 27 Sep 94

[By ITAR-TASS correspondent]

[Text] Moscow September 27 TASS—The Russian Government has described today's attack of Dudayev units at populated localities of the Chechen Nadterechnyy region as the final refusal of the Dudayev regime from peaceful settlement of the republican crisis.

"By spilling blood of innocent people, Dudayev hopes to provoke the introduction of Russian regular army units in order to make the last desperate attempt to consolidate the decreasing ranks of his supporters in the face of a mythical threat," says a statement of the Russian Government press service.

The government will "hold a consistent policy of regional stabilization and do everything necessary to protect the lives of civilians, restore the constitutional order and lawfulness on the long-suffering Chechen land," says the document.

Reports of Shakhray-Khasbulatov Meeting Denied

MK2709125094 Moscow SEGODNYA in Russian 27 Sep 94 p 2

[Unattributed report: "Shakhray Did Not Meet With Khasbulatov"]

[Text] The staff of Russian Federation Vice Premier Sergey Shakhray regards reports of his contacts in Moscow with Ruslan Khasbulatov as pure fiction. "There have been rather many unreliable reports in the mass media of late on the Chechen topic," a senior member of the vice premier's secretariat has stated. "Losing their grip on the situation, the official authorities of Groznyy must be trying at least in this manner to discredit Moscow's policy toward settling the Chechen crisis," he pointed out.

No 'Official Groznyy' Forces Fighting

LD2709115694 Moscow ITAR-TASS World Service in Russian 1132 GMT 27 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 27 Sep—Reports on armed clashes that have broken out today in Chechnya's Nadterechnyy rayon are contradictory. The republican Interior Ministry reports that government forces of official Groznyy are not taking part in the fighting. They say the Interim Council forces are being opposed by pro-Dudayev volunteer guards from some villages of Nadterechnyy rayon.

ITAR-TASS has failed to obtain any information about the events from officials in Groznyy. Senior officials at the republican key ministries have not been taking calls since morning.

The situation in Groznyy seems calm. People here learned of the clashes in Nadterechnyy rayon from Moscow television.

Opposition Forces Said Almost in Groznyy

LD2709194994 Moscow ITAR-TASS in English 1911 GMT 27 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy September 27 TASS—Chechen Vice-President Zelimkhan Yandarbiyev has just called in a televised address on his supporters to come to Groznyy and protect the Chechen state.

In his words, today's fighting in the Nadterechnyy region and in the vicinity of Groznyy was started by the opposition leaders. Yandarbiyev confirmed that the armed units from the Urus-Martan region have almost entered the city tonight.

Chairman of the so-called Chechen elders' council Said-Akhmet Azizov also called in a televised address on Dudayev supporters to help the government troops.

Assistant to the Chechen President Movlen Salamov told ITAR-TASS that the Chechen president and the government are studying the situation to achieve its stabilization. Salamov does not exclude Dudayev will make a televised address to the nation tonight.

The fire exchanges have resulted in many killed and wounded. Even the authorities do not know the precise casualties.

The opposition forces have detained Chechen Procurator General and Minister of Justice Usman Imayev and several other staffers of governmental bodies.

Chechen Justice Minister Taken Prisoner

LD2809092194 Moscow 2x2 Television in Russian 0730 GMT 28 Sep 94

[Text] Usman Imayev, procurator general and justice minister of Chechnya, was taken prisoner on 27 September at approximately 1800 hours in the area of the village of Chernorechiye, where fighting is under way between President Dudayev's government troops and Gantemirov's armed group. The RIA news agency was told this by Aslanbek Dadayev, deputy director of the CHECHENPRESS agency.

According to CHECHENPRESS, Gantemirov's group is tightly encircled by the government troops.

Opposition Leader Wants Talks With Russia

LD2809104894 Moscow ITAR-TASS World Service in Russian 0920 GMT 28 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 28 Sep—Yaragiy Mamodayev, head of the executive power of the Chechen national confidence government, has said today that the national confidence government was ready to hold talks with Russia.

The national confidence government was appointed by the Chechen Parliament in conditions of last year's April crisis of power in Chechnya, but all this time it has been forced to act effectively in exile because of President Dzhokhar Dudayev's tough opposition to it.

The statement by Mamodayev circulated in Groznyy today says that the current regime has thrown the republic into political, economic, and moral chaos and has led the Chechen people first to self-isolation and then to civil war, thereby having tangibly discredited the idea of independence and sovereignty.

The main aim of the healthy forces of the republic, the document says, must not be just the overthrowing of the regime—which by abandoning the idea of national reconciliation has signed its own sentence—but a search for resources and methods to pull Chechnya out of the crisis. Above all no effort should be spared to prevent a split in the Chechen nation into fighting groups and to ensure that the cost of the stabilization of the sharply worsened situation should be the smallest possible.

Mamodayev claims in the statement that his government possesses a firm social base, the necessary forces, and a carefully-prepared plan of action and is ready, upon certainty being achieved in relations with Russia's bodies of state power, to immediately embark on the restoration of the constitutional structure in Chechnya. However, the right to start equitable talks with Russia and embark on the implementation of the program of Chechnya's revival should be granted by a congress of representatives of all the Chechen clans.

Neither those who at any price, even including betrayal of national interests, try to stay in power, nor those who plan by practically the same means to come to power, but only the nation of the Chechen Republic itself can and should decide its own fate and is capable of doing so, Mamodayev stresses. In his opinion, civilized, juridically-formulated Russian-Chechen relations recognizing the real political, economic, and geopolitical interests of both sides should be based upon the formula: Russia and Chechnya are together. Mamodayev proposes that the problem of the status of these relations be determined in the process of the drafting of an equitable bilateral treaty between the Russian Federation and the Chechen Republic.

Khasbulatov Gains Support for Chechnya Measures

NC2609212394 Baku TURAN in English 1135 GMT 26 Sep 94

[Text] Baku (September 26) TURAN: Russian parliament's former speaker Ruslan Khasbulatov managed to obtain support of head of Russian president's administration Sergey Filatov and of vicepremier Sergey Shakhray concerning adoption the radical measures for overthrowing Dudayev's regime in Chechnya, according to TURAN Moscow correspondent.

"I don't return home empty-handed," Ruslan Khasbulatov told our correspondent. "The support obtained in Moscow should not be treated as participance of Russian troops in settling the crisis in Chechnya. A moral and legal support and support in military and technical issues are necessary," according to Khasbulatov.

"Chechnya's authorities control the situation in the republic and any attempts on Chechnya's independence will fail," our correspondent was told by Dzhokhar Dudayev. "Criminal actions of so-called Chechnya's opposition are the reflection of fuss among Russian leadership for power," according to Dudayev.

Local Chiefs on Shaping Moscow's Regional Policy

MK2709131094 Moscow KOMMERSANT-DAILY in Russian 27 Sep 94 p 3

[Report by Dmitriy Kamyshev: "Regional Authorities Meet. Legislators Want Everybody To Run for Office"]

[Text] An intensive pre-season warm-up session involving deputies of all levels ended 23 September with a meeting of the Coordinating Committee on Collaboration between the Federal and Local Parliaments (KOMMERSANT-DAILY reported its opening 24 September). The main result of the meeting was that legislators rallied even closer together in defending their right to have a say in shaping the center's regional policy.

The arbitrary rule by governors and the impotence of local parliaments have long become a traditional subject for discussion during meetings between local legislature chiefs and Federal Assembly deputies. This time, however, regional speakers departed from tradition in order to devote more time to the consideration of joint lawmaking steps to be taken together with Moscow legislators. In the general view, the first of them should be the adoption of draft laws on local authorities, on principles of the delimitation of powers between the center and the regions, and on local self-government.

Local delegates were interested not so much in the adoption of these laws, however, but rather in the possibility of taking part in the process. For this very reason, a majority of participants in the meeting supported the initiative by Vologda deputies on setting up regional chapters of the Coordinating Council for a more thorough consideration of the bills. The chapters, just as the council itself, will be made up only of legislators, however, which will make it possible, if need be, to turn them into a weapon in the struggle with the local, or federal, executive branches.

Moreover, in the view of the participants, the executive branch should also be subjected to considerable changes. For instance, Vitaliy Tarasenko, chairman of the Federation Council committee on the affairs of the Federation, the Federation Treaty, and regional policy, thinks that all key local officials—from the Duma chairman and the governor to a militia chief—should be popularly elected so as to become "genuinely independent."

Tatar Defense Factories Assured Support

LD2709211294 Moscow INTERFAX in English 1916 GMT 27 Sep 94

[Text] The Russian State Defense Industry Committee and the Tatarstan Cabinet passed a decision saying that the Tartar defense factories would have enough government contracts to maintain their technological and production potential.

The two bodies held a joint meeting in Kazan on September 27.

Committee Chairman Viktor Glukhikh told Interfax that some defense factories in Tatarstan were virtually bankrupt. He said that the joint decision would enable urgent steps to be taken in order to stabilize the Tartar defense industries financially, reduce the tax burden, introduce numerous benefits and protect the industry's workers.

More defense and civilian contracts with the industry will be signed and foreign investments attracted.

The two bodies also intend to facilitate the adoption of a State Defense Contract Act by the State Duma and work out proposals on receivership and bankruptcy procedures and in support of state-owned factories.

The defense contracts for Tatarstan's defense factories fell to below one third of what they were in 1991 and to 57

of what they were in 1993. The credit debts of defense factories are 177.8 billion rubles bigger than the debit debts. The number of workers fell by 12 percent in 1993 and by nearly 16 percent of what it was in the first half of 1994.

Kaliningrad Oblast Head Views Situation

WS2709121594 Kaliningrad YANTARNYY KRAY in Russian 13 Sep 94 pp 1,3

[Interview with Kaliningrad Oblast Administration Head Yuriy Matochkin, by V. Chertkov, in Kaliningrad, date not given: "We Have To Cover This Ground"]

[Excerpts] [Chertkov] How do you personally assess the socioeconomic situation in the oblast? Do you agree with the optimistic opinion voiced by Prime Minister Chernomyrdin at the expanded session of the government in July?

[Matochkin] I do not quite share the prime minister's optimism. This is not only my viewpoint—this is the viewpoint of many heads of local administration. Of course, Viktor Chernomyrdin correctly assessed a number of directions of the economic and social development. Meanwhile, there exists a whole range of serious problems, which were not submitted for discussion. First, these are the issues of nonpayments, production decline, and tariffs for fuel and power. All these issues are closely intertwined. That is why the participants in the conference wanted to see a more definite viewpoint on ways to resolving them. Unfortunately, the government did not suggest any specific measures for exiting the crisis.

That is why, when we speak about the socioeconomic situation in Kaliningrad Oblast, it should not be detached from the situation in Russia as a whole. Too, in light of its geographical situation, our region is affected by a number of other factors. The situation in the oblast is very dramatic. The oblast, just like the rest of Russia, is experiencing an economic crisis. In my opinion, the last phase of the crisis is not yet over. I believe that the end of 1995 will mark the end of the crisis, because hidden processes are now underway. The principal process—structural reshaping—is not being carried out; in many cases it is uncontrolled by the state, and is very painful.

In Kaliningrad Oblast the process of structural reshaping of the economy is being complicated by a number of factors. Those branches that traditionally relied on ties with other areas of Russia and the former USSR are in extremely sad shape. Primarily, this concerns machine building.

However, I do not believe that the current situation is desperate, given that we have certain economic drafts, and there are examples demonstrating that enterprises can find a place in a free-market economy. However in general, economic reform in the oblast will depend on the pace of reform in the rest of Russia. Of course, there will be certain peculiarities, of both a negative and positive nature.

I would like to emphasize that in any case, Russia must live through the current stage in its development—there is no other option. One should not think that there exist easy solutions capable of speeding up the course of events. As a minimum, Russia will need 10 years to carry out at least a partial reform of its economy. Thus, we will work under tough conditions until the end of this century. However, every year will bring more and more positive results. Finally, we will approach the level of developed states.[passage omitted]

[Chertkov] The press has carried reports about the measures taken by the administration and the Oblast Duma to prohibit importing foreign products. Our readers fear that as a result, the variety of products will be smaller, their prices higher, and the quality—lower. What do you think about this?

[Matochkin] This is a problem, indeed. Of course, we should give preference to the consumers' interests. However, we have a large group of agricultural producers who, at the same time, are consumers. We should not neglect their interests, too. On the one hand, we have reached a stage where the market is filled with a large number of imported products, especially meat and dairy products. On the other hand, we have concluded that certain measures should be taken to protect local producers, our villagers. That prompted our resolution to limit the import of foodstuffs, which, to my regret, has not been signed yet. The point is that the resolution contains many violations of the current laws and enforceable enactments. We have sent that document back to the Oblast Duma and together, we will think about how to resolve this problem. I am an advocate of measures protecting the domestic market. We have requested that appropriate agencies draft the regional balance of the production and consumption of foodstuffs in 1995. We will permit the import of scarce products and reduce the import of those products, whose demand is met by local producers. We do not fully cover our demand for meat at this point. Thus, we should import meat and, at the same time, develop animal husbandry. However, there must be competition, for this is the only way to a free-market economy. We cannot accept the standpoint of those who demand that the import of foodstuffs is totally banned. This again would be satisfying the interests of one category at the expense of others.

[Chertkov] How come the oblast administration is now the primary debtor? What is your attitude toward the widespread opinion that the government shifts the burden of the federal budget deficit on the provinces?

[Matochkin] You are right, the government is currently pursuing this kind of policy. In my opinion, the curbing of inflation was primarily due to the postponement of payments, due to the fact that the government's debt to the provinces is increasing. That is why our administration is, indeed, a debtor, but not a primary one. Our debts are incomparable with the debts of the federal budget. While the administration has met 50 percent of its commitments to the agroindustrial complex in the first seven months of 1994, the government has met less than 1 percent of its financial commitments.

Many recent government resolutions suggest that local executive bodies settle accounts by means of their own budget. For instance, a resolution has been passed stipulating an increase in the salaries of the budget sector employees by 1.4 times. However, no additional funds have been allocated from the federal budget. In fact, we have been left face to face with those employees. What can we do? We must carry out the government resolutions and presidential edicts and index the salaries scale, although this is a very complex task. This can only be done by redividing the profit side of the budget.[passage omitted]

[Chertkov] What is your opinion about combining the interests of the provinces and the federation? Is there any opposition against adopting a law on Kaliningrad Oblast? If so, which political forces have interest in this?

[Matochkin] I would start with the latter question. We are facing opposition from the forces that do not want Russia to develop in a new direction. They would like to preserve the old system and do not want independent regions out of the false fear that this would cause Russia to disintegrate. In reality though, as we know action causes counteraction. It is time people understood that the more freedom we grant to the provinces, the stronger their ties with Russia will become, the stronger the Russian Federation.

Speaking about a balance of interests, I think that discord between the regions and the center are the primary contradiction these days. In my opinion, the center has not realized that the existing system of relations has no future. I believe that constitutional provisions should regulate relations between the provinces and the center, and that those relations should be based on a system of agreements. Only then will we be able to normally work when the regions receive significant autonomy, and mutual commitments of the provinces and the center are precisely outlined.

There are no mutual commitments at this point. When we say that we have a federation and a center, to which the regions delegate certain powers, we should at least act as partners. We realize that the center is a major partner, but we do not have these kinds of relations.

If the federal budget owes us money and delays payments, we have no legal way to pressure them. However, the center has a lot of ways to exact unpaid taxes, when we try to compensate for the losses caused by not receiving funds from the federal budget. These are not equal rights. That is why, I believe, we should act vigorously to improve these relations.

The longer we postpone resolving the issue of dividing the powers of the federal center and the provinces, the more dangerous this situation will be for Russia. The opposition from Perm Oblast (and Vologda Oblast had similar claims), although quite symbolic, is proof of the existing discord.

[Chertkov] One has the impression that there are many conflicts between the executive and representative branches of power. How principal are they? What can you do to eliminate them as head of the Oblast Administration and the man who will have the status of federal minister once the law on Kaliningrad Oblast is passed?

[Matochkin] It is too early to discuss the issue of the federal minister at this point. As for discord with the local representative branch, it does exist, and this is normal. Had there been no discord, what was the point in dividing powers? The representative branch exists to control and help correct the course of the executive branch. However, there are no principal conflicts. There are differences of opinion regarding various documents, but, I repeat, this is a normal process. Anyway, when the Duma holds sessions, we make joint decisions.

There is a group of deputies, though, inclined toward stirring up conflicts. We know who they are, and we will work with them to prevent further complications. At the same time, we will take a principled stance in our relations with these people.

Summing up, I would like to say that I have done and will continue to do what I can to prevent discord between the Duma and the administration. I treat with respect all the Oblast Duma's legal actions. However, every instance of abusing the deputies' powers will meet with our resolute response.[passage omitted]

Gaydar, Others Unite Against Maritime Chief Nazdratenko

MK2907140094 Moscow KOMMERSANT-DAILY in Russian 27 Sep 94 p 3

[Report by Leontiy Benningsen under "Russia's Choice Prepares for Elections" rubric: "Yevgeniy Nazdratenko Has Come Out With a Response Statement"]

[Text] The statement by the Russia's Democratic Choice party Political Council on the activity by Maritime regional governor Yevgeniy Nazdratenko ascribed him the characteristics of both a gang leader and an embezzling local ruler. The governor has come back with a sharp statement.

In their report, party experts note that in the Maritime region "reprisals are being practiced against political opponents... with criminal terrorist methods being used," "freedoms of the press and information have been abolished," "political parties have been effectively barred from contesting elections," and "corruption has reached unprecedented scope." Gaydar demanded that Maritime region governor elections, set for 7 October, be canceled.

In response, Nazdratenko declared that "the government headed by Gaydar brought the country's population to poverty and an unheard-of reign of banditry and terror, and now the party led by him has gone ahead with identifying human rights violations," noting that "such reforms must be pursued without harm to the individual," and stressing that "while Gaydar was holding his press conference in Moscow, we over here were dealing with the effects of a natural disaster."

The polemics between the Gaydarites and the Moscow leadership could serve as a weak prototype of polemics between Gaydar and Nazdratenko. Yet the Siberian specifics square and even cube standard arguments in a debate between a liberal and a paternalist. Paternalism Far East-style seems to have managed to produce an unbelievable effect. According to Gaydar, his demands have been joined by Shakhray, Fedorov, and Yavlinskiy. And, as is known, the democrats are capable of uniting only in absolutely extreme situations, and this solidarity act speaks louder than the grossest facts cited in the report.

Tambov Oblast Prices, Incomes Rise

MM2809094794 Moscow ROSSIYSKAYA GAZETA in Russian 24 Sep 94 p 2

[Report by correspondent Yevgeniy Pisarev: "Incomes Surge Ahead"]

[Text] Tambov—The highest level of monthly price increases has been recorded in Tambov Oblast—17 percent. Nowadays this process has acquired an oscillating character—prices grow within the limits of 6 percent per month. Moreover, the cost of paid services is growing more quickly than food prices. Let us remark that prices for many products in Tambov are noticeably lower than in other Chernozem oblasts.

According to specialists' estimations, in September the population's income will grow by 14 percent and the subsistence minimum by just 7 percent. This indicator is noticeably influenced by city dwellers' private subsidiary farms: Virtually every family has its own share of land. Public investments in savings banks and financial companies are also growing.

Lack of Fuel May Be Cause of Plane Crash

LD2709131994 Moscow INTERFAX in English 1204 GMT 27 Sep 94

[Text] The bodies of 27 passengers and crew killed in the YAK-40 plane crash have been found by rescuers on the site of the crash at the Evenk Autonomous Region (Krasnoyarsk Territory). Some bodies were found in the river where, at the sand-bar, the crew attempted to make a forced landing, Interfax was told by the territorial service for the civil defense and emergencies.

According to the preliminary version, the YAK-40 passenger plane which was on a flight from Krasnoyarsk to Tura on Monday crashed after it ran out of fuel. This conclusion was reached after flight recordings had been studied.

Due to bad weather conditions, the plane had to change route and make a forced landing.

International Affairs

Official Details Tasks at UN General Assembly

AU2709150394 Kiev HOLOS UKRAYINY in Ukrainian 14 Sep 94 p 6

[Article by Volodymyr Khandohiy, chief of the International Organizations Administration at Ukraine's Ministry of Foreign Affairs: "A Portfolio of Proposals for the United Nations"]

[Text] **On 20 September, the 49th session of the UN General Assembly will start its work. The session traditionally opens with representatives of 184 countries standing one minute in silence or meditating. They include representatives of Ukraine, which was at the cradle of the organization. It is obviously necessary to recall Ukraine's activity in the United Nations, activity which reflected the complex and controversial history that our people lived through after World War II. Ukraine has covered the road from a quasi-state to an equal member of the world community. Having overcome the "younger brother" syndrome, it now has its say in resolving the most topical contemporary problems.**

What are the assets and plans with which the Ukrainian delegation is leaving for the session? It will undoubtedly contribute to resolving global and international problems and will also actively raise those questions, which are topical for our state: Maintenance of peace, settlement of the Balkan conflict, UN sanctions against the FRY and their influence on the Ukrainian economy, setting the fair size of Ukraine's contribution to the UN budget, peacekeeping activity, the elaboration of mechanisms for international support for market reforms, which are conducted by countries with transitional economies, and so on.

Ukraine, just like other countries situated in the neighborhood of the FRY, bears a triple burden. First, it is losing traditional markets for its products. Economic ties with Yugoslav partners have been severed. Second, the usual rhythm of cargo transportation along the Danube has been disrupted. This hampers business ties. Third, the state has to cope with an additional responsibility of adhering to the regime of sanctions, something which also involves considerable expenditure. As a result of sanctions, Ukraine's last year's economic losses amounted, according to preliminary estimates, about $4 billion.

Our delegation will work toward an implementation of the decision adopted by the last-year session on economic assistance to those countries, which have been sustained losses as a result of the fulfillment of the UN Security Council resolution on introducing sanctions against the FRY. Ukraine, along with Bulgaria, was an initiator of adopting that resolution.

Of course, we will insist on further assistance for Ukraine in connection with overcoming the consequences of the accident at the Chernobyl Atomic Electric Power Plant. This problem must not be regarded as a local one, but as an implementation of an integral international program for eliminating the consequences of the Chernobyl catastrophe.

As is known, Ukraine gives particular attention to UN peacekeeping operations. Two battalions of Ukrainian Armed Forces serve on the territory of former Yugoslavia within the UN contingent.

During peacekeeping operations on the territory of former Yugoslavia, nine Ukrainian servicemen have died and 30 wounded. The problem of safety of the UN personnel is becoming increasingly pressing every year. Concurrently with sending its first subunits to Yugoslavia, Ukraine was the initiator of working out an international convention on protecting the UN peacekeeping personnel. Last year, we offered our draft convention for the consideration of the international community.

At the 49th UN General Assembly session, the Ukrainian delegation will actively work on a considerable reduction of the sum of Ukraine's dues to the United Nations, a sum that would correspond to our state's economic potential. The difficult economic situation and the unjustifiably high contribution to the regular budget prevent us from making settlements with the United Nations on time.

Our state has inherited the problem of excessive membership dues from the former USSR, which always used unrealistic statistical data on the national income for the purpose of creating an image of the USSR as an industrially advanced superpower with a high standard of living.

Active work of Ukraine's Ministry of Foreign Affairs in this direction has already produced certain results. The last session of the committee dealing with membership dues elaborated recommendations on the stage-by-stage reduction of Ukraine's contribution to the UN budget in 1995-97. The dues to the United Nations' regular budget in 1995 will decrease by $4 million as compared with the present amount. In 1996—by $6 million, and in 1997—by $8 million. Besides, if Ukraine is placed in the category of countries with low per-capita incomes, over the next three years, Ukraine's overall dues must decrease by approximately $70 billion.

The Ukrainian delegation will use the session for attracting attention to the problem of nuclear disarmament. Ukraine is making steps, which are still unprecedented in the world history, having voluntarily assumed the status of a nonnuclear state. We will try to enlist the services of international financial institutions for promoting this process, because our state must carry out programs for eliminating weapons worth billions [monetary unit not specified], something, which the Ukrainian economy cannot cope with.

In this connection, it is important to make use of the UN multilateral mechanisms to ensure reliable guarantees for Ukraine's national security. These mechanisms must compete with the concept of nuclear deterrence, which is professed by nuclear powers and which has, for a long time, efficiently prevented the emergence of a nuclear catastrophe.

Yeltsin's UN Remarks 'Cannot Be Ignored'

LD2709171094 Kiev UNIAR in Ukrainian 1500 GMT 27 Sep 94

[Excerpts] New York, 27 Sep—Ukraine is taking part in the 49th session of the UN General Assembly that opened on 23 September in New York. [passage omitted]

On 26 September, the session continued with a general political discussion that will last for three weeks. During the first two days, the Assembly was addressed by presidents of the United States and Russia, and foreign ministers of Poland, Germany, and other countries. Commenting on the speech by President Boris Yeltsin, Natalya Zarudna, an official of the information department at Ukraine's Ministry of Foreign Affairs, said that statements such as "CIS countries are the sphere of Russia's influence" could not be ignored by Ukraine's Foreign Ministry.

Attending the UN General Assembly session, Ukraine's Foreign Affairs Minister Hennadiy Udovenko met Japan's foreign minister, who confirmed an invitation to the president of Ukraine to pay an official visit to Japan. The visit has been provisionally scheduled for Spring 1995.

Udovenko, who heads Ukraine's delegation to the General Assembly, will deliver a speech to the United Nations on 28 September.

Russia's Primakov Accused of Imperialism

LD2709194194 Kiev UNIAN in Ukrainian 1330 GMT 27 Sep 94

[Text] Kiev—Commenting on the latest news conference by the head of the Russian Federation's Federal Foreign Intelligence Service [Yevgeniy Primakov] in Moscow, Oleksandr Skipalskyy, chief of the Defense Ministry's main intelligence directorate, said in an exclusive interview with UNIAN on 27 September that he regarded his colleague's stance toward Ukraine as pro-imperialist. Skipalskyy is soon to begin full-time work in parliament. "All the arguments about the fact that Ukraine should join the confederation of former USSR republics along with Russia are proof that the Russian Federation's social order and its pro-imperialist policy are being implemented," Skipalskyy stressed.

The chief of the main intelligence directorate gave a negative assessment of Yevgeniy Primakov's pronouncements about the need for Ukraine to join the defense union of CIS countries since nuclear weapons are being withdrawn from its territory. In his words, the risk factor to Ukraine from European states is no greater than that from the "pro-imperial, chauvinist, and nationalistic forces of Russia that are now consolidating themselves".

"Their latest meeting in Kaliningrad and Russia's Union of Officers congress were proof of the readiness to form a volunteer army. For this reason, Mr. Primakov should worry about the security of the state. We will worry about the security of Ukraine ourselves," Skipalskyy noted.

Moroz Meets Hungarian President Goencz, Speaker Gal

LD2709142394 Kiev UNIAR in Ukrainian 1210 GMT 27 Sep 94

[Text] Kiev, 27 Sep—An official Ukrainian delegation led by Supreme Council Chairman Oleksandr Moroz arrived in Budapest at the invitation of Zoltan Gal, speaker of the Hungarian National Assembly.

There was a meeting between Moroz, Gal, and representatives of the country's National Assembly factions. The speaker of the National Assembly stressed three main areas of Hungary's foreign policy: Integration with European structures, the establishment of good relations with neighboring states, and protection of the rights of Hungarian minorities who reside outside the country. With regard to Ukrainian-Hungarian relations, Mr. Gal noted that they were stable and well considered. The signing of a number of interstate agreements, namely on international air links, on the mutual protection of investments, on avoiding double taxation, and on education and culture would bring those relations into a more practical arena.

During the meeting they discussed the prospect of creating a free economic zone in Transcarpathia.

The head of the Ukrainian delegation stressed the need to create joint working groups with the participation of parliamentarians from both countries. The Ukrainian delegation took part in one of the Hungarian parliament's plenary meetings.

There was a meeting between Mr. Moroz and Hungarian President Arpad Goencz. During the conversation the president noted that political relations between the two countries were stable but current economic cooperation did not correspond to the potential possibilities of Ukraine and Hungary. Mr. Goencz said that Ukraine should create a legal base for carrying out economic reforms.

Japanese Foreign Minister Confirms Kuchma Visit

LD2709204294 Moscow INTERFAX in English 1535 GMT 27 Sep 94

[Text] Japanese Foreign Minister Igiro Kono confirmed the invitation of Ukrainian President Leonid Kuchma to visit Japan in the spring of 1995 during his meeting with

Ukrainian Foreign Minister Hennadiy Udovenko in New York on September 26.

The invitation was gratefully accepted. The concrete term for the visit will be discussed by diplomatic channels.

The two foreign ministers discussed the future of bilateral cooperation.

The Ukrainian Foreign Ministry said Kono had spoken in favor of "speeding up the implementation of the intentions to assist Ukraine with carrying out the economic reforms declared by the leading countries." Kono also said the leading countries should help to realize the Ukrainian decision to opt for a non-nuclear status in the future.

Kono reassured Udovenko that Japan would support Ukraine during the G-7 meetings considering aid to Ukraine in the programs for nuclear disarmament, elimination of the consequences of the Chernobyl disaster and implementation of the market reforms.

Udovenko stressed that Ukraine had decided to eliminate nuclear weapons on its territory "not only in its own interests but in the interests of the world community."

Ukraine expects to receive "adequate financial, technical and humanitarian assistance when carrying out these intentions," Udovenko added. "Ukraine also hopes that the nuclear powers will give it guarantees for its territorial inviolability," he said.

G-7 Group Visits Chernobyl Nuclear Power Station

LD2709212094 Kiev UNIAN in Ukrainian 1940 GMT 27 Sep 94

[Text] Chernobyl [dateline as received]—A G-7 working group for nuclear safety led by Antonio Martino, Italy's minister of foreign affairs, visited Chernobyl AES on 27 September. The group included managers and experts of various ministries from Canada, France, Germany, Japan, Great Britain, and the United States, as well as European Commission experts. The purpose of the visit was to view the condition of Chernobyl AES prior to negotiations with the Ukrainian Government on the proposed G-7 plan for an early phase-out of the AES and relevant financial assistance.

The group was accompanied by Mykhaylo Umanets, chairman of the State Committee for the Use of Nuclear Power, and Oleksandr Smyshlyaev, first deputy chairman of the State Committee for Control of Work Safety in Nuclear Engineering. During the tour, Smyshlyaev stressed that safety requirements put forward to Chernobyl AES by the national supervising authority are no less strict than international ones. Umanets concentrated on economic problems connected with the plant's early shutdown. He told UNIAN: "The national power grid is short by 3 million kilowatt-hours that are necessary for its stable functioning. An immediate closure of two generating sets at Chernobyl is fraught with destruction of the entire power system.

"The $300 million aid package offered by the West will not even cover one-twentieth of the expenses involved in early closure. Estimates by an American commission which recently carried out a study in Ukraine show that this would require $7 or $8 billion, excluding maintenance of the "Cover" facility (the sarcophagus) and the town of Slavutych."

The Italian foreign minister said that serious talks with the Ukrainian Government on the Chernobyl problem are in the offing. "I hope that a solution to this problem will encourage the growth of cooperation between the Western countries and Ukraine," he said.

UNA Secures Prisoners Release From Armenia

AU2709145294 Lvov ZA VILNU UKRAYINU in Ukrainian 22 Sep 94 p 1

[Report by unidentified ZA VILNU UKRAYINU correspondent: "After Returning From the Transcaucasus"]

[Text] A news conference under the chairmanship of Andriy Shkil, head of the Ukrainian Nationalist Assembly [UNA] Lvov Oblast organization, was held in the UNA building in Lvov.

The journalists were briefed on the results of the trip to Transcarpathia for the purpose of examining the situation in the local organization of the Assembly, of the UNA delegation's trip to Chechnya, and on the UNA attitude toward Yuriy Shukhevych [former UNA leader].

According to A. Shkil, the Transcarpathia trip participants were pleased with the work of the UNA local oblast organization, which is quite powerful—especially in Uzhhorod and in Tyachev, Khust, and Mukachevo rayons. All of this, it was pointed out, despite the organization's mixed ethnic composition and the fact that Eduard Shufrych, chairman of the Transcarpathian organization, is under investigation.

Regarding the visit to Chechnya, Andriy Shkil said that the UNA delegation was headed by Ukraine People's Deputy Yuriy Tyma and Anatoliy Lupynis, leader of the political reference group. It transpired from later UNA Press Service statements that the Ukrainian delegation had also visited Azerbaijan and Armenia and had meetings with representatives of governments of those countries. Among the important results of the meetings is the accord that the government of Armenia will not rule out the possibility of transferring to Ukraine the Ukrainian prisoners of war from the ranks of the mercenaries who had fought on Azerbaijan's side against Armenia. In Chechnya, it was agreed to hold on 7 October in Groznyy a joint Chechen-Ukrainian conference of free peoples. Besides, Chechen President Dzhokhar Dudayev expressed a desire to visit Kiev.

As regards the last question at the news conference conducted by Andriy Shkil, it was stressed that Yuriy Shukhevych remains an indisputable UNA authority. A corresponding statement was disseminated on the occasion.

Tatarstan To Meet Oil Needs on Offset Basis

MK2709141094 Moscow SEGODNYA in Russian 27 Sep 94 p 4

[Konstantin Parishkura report from Kiev in the "Abroad" column: "Tatar Oil for Ukraine"]

[Text] Under a protocol signed at the end of last week in Kiev in the course of negotiations between government delegations of Ukraine and Tataria, the sides are to work out, within a month, statutory documents of the transnational company Ukrtatneft.

Ukraine and Tataria Premiers Vitaliy Masol and Mukhammat Sabirov agreed that Tatar oil supplied to Ukraine will be processed at the Odessa, Kremenchug, and Kherson oil refineries. Part of the end products will be shipped to Tataria in payment for the raw materials, and part will be sold on the Ukrainian market. The proportions have not been disclosed yet. In an interview with Ukrainian radio, Tataria's premier said: "Ukraine produces 4 million tonnes of crude oil a year. It needs 12 million. By supplying 8 million tonnes of oil, we shall therefore quickly be able to meet Ukraine's entire oil needs."

Kiev To Repay Gas Debt to Turkmenistan

MK2709142094 Moscow SEGODNYA in Russian 27 Sep 94 p 4

[Report by Mekhman Gafarly: "Kiev Repays Debts"]

[Text] Your SEGODNYA correspondent has been told at the Turkmenistan Embassy in the Russian Federation that following another round of Turkmen-Ukrainian talks, which ended yesterday in Kiev, negotiators signed an intergovernment agreement on repaying the Ukrainian debt for Turkmen gas in the second half of 1994. The Ukrainian side, represented by the "Respublika" corporation, will have to pay $225.58 million and deliver $675.24 million worth of meat, flour, butter, sugar, and other products. In addition, Ukraine will deliver tubes, rolled metal stock, and equipment required by the Turkmen oil and gas industry.

Kuchma Warned Against Appointing Zvyahilskyy

AU2809092994 Kiev MOLOD UKRAYINY in Ukrainian 27 Sep 94

[Unattributed report published under the rubric "Fact"]

[Text] Colonel Hryhoriy Omelchenko, chairman of the Supreme Council Commission for Combating Organized Crime and Corruption, has appealed to Leonid Kuchma to refrain from appointing Yukhym Zvyahilskyy as ambassador to Israel "in order not to discredit, at a diplomatic level, the young independent state."

Official Comments on U.S. Charges for Visas

LD2709200794 Kiev UNIAN in Ukrainian 1330 GMT 27 Sep 94

[Text] Kiev—Oleksiy Kruhlyak, the official in charge of the visa activity coordination department, during a briefing in Ukraine's Foreign Affairs Ministry on 27 September commented on a decision by the United States to charge for visas issued to Ukrainian citizens. He said the United States explained the decision by the fact that U.S. citizens have long since been paying up to $200 dollars to enter Ukraine. This, however, in Oleksiy Kruhlyak's words, is not a payment for a visa, but to cover expenditures on consular services, as Ukraine is not in possession of a sufficient amount of funds to maintain a consular network. The American side has been repeatedly informed about this, but to no avail.

Asked whether Ukraine will react accordingly, Oleksiy Kruhlyak answered it is up to the government to decide.

It was announced at the briefing that around 40 kinds of visas are to be introduced from 1 October, with a transit visa the least expensive at $15, a reusable visa the most expensive at $120 and a one-off visitor's visa at $30. The issuance of visas has up till now been free of charge.

National Affairs

Continuing Reportage on Crimean Situation

Meshkov Rejects Tsekov Resignation

LD2709182194 Moscow INTERFAX in English 1640 GMT 27 Sep 94

[Text] Crimean President Yuriy Meshkov does not accept the proposal by Crimean parliament speaker Sergey Tsekov on their simultaneous resignation. Similar statements "do not correspond to the state-level solutions", Meshkov said in an interview with Interfax.

He said that "it is inadmissible to link one's own decisions with stands taken by other people".

Earlier Tsekov expressed readiness to step down as chairman of the Crimean parliament if it was a necessary condition for Meshkov's resignation.

The president said that that the no-confidence popular vote or the threat of an armed conflict may affect his decision on resignation.

Meshkov also said that he did not intend to change his position on personnel issues. There will be no concessions to the section of parliament deputies who are dictating their will in terms of the composition of the government, he said.

At the same time, Meshkov said that, as earlier, he was prepared to consult deputies on all issues concerning the government's activities. He said that during recent times the president's side has done its best to resolve the conflict between the two branches of power.

Parliament To Form Government

LD2709182394 Moscow INTERFAX in English 1640 GMT 27 Sep 94

[Text] The Crimean parliament is determined to form a new government within six weeks, which Crimean President Yuriy Meshkov has failed to do, Crimean Supreme Soviet Chairman Serhiy Tsekov told journalists in Simferopol Tuesday.

Tsekov pointed out that the parliament's position had been caused by "the president's failure so far to submit a draft law on the government to parliament, the cabinet structure not yet having been approved and deputies having no idea of the government's program."

Earlier this month, the Crimean parliament voted for no confidence in Yevgeniy Saburov's government.

Report on Meshkov, Parliament Rapprochement

944K2395A Simferopol KRYMSKIYE IZVESTIYA in Russian 23 Sep 94 p 1

[Report by N. Gavrileva: "'I Came to You in Peace!'"]

[Text] This is literally what the president of the Republic of Crimea said at the end of his speech when he appeared before deputies in the beginning of the morning sitting. This was undoubtedly a watershed day in the relations between the legislative and executive branches. It has long become clear that the protracted conflict played not so much into anyone's hands as against both sides in the conflict. A real threat emerged of losing either the statehood (the evidence of which is the decision of the Ukrainian Supreme Council, which the day before was granted the right to disband the Crimean Supreme Council) or confidence and authority in the eyes of the people (which is clear from rallies, telephone calls, and letters from voters, as well as statements of parties and organizations).

The expiration of the seven-day deadline that the parliament gave the president to effect the resignation of the government also pushed toward a compromise. That Yuriy Aleksandrovich had no intention of doing it was clear as early as the fifth day. He justified it by his confidence in its competency (pointing among other things the government's latest report) and too short a working period: "The fate of the government was decided in a manner of a soccer game, during overtime, which gave a group of interested deputies the opportunity to pull through this decision. No sufficiently serious grounds were presented as to why the government could not function in its present composition. I would like the Supreme Council to go through the list of government members and evaluate the work of each one, with specific criticisms. It is simply impermissible to decide the issues of state importance in a state of emotional opposition to the president and executive structures."

As we can see, these are sensible and right words. And let us not ask why this principle had not been applied as a guidance earlier. Especially considering that all of this was said after several minutes of rather serious accusations addressed at the deputy corps, which had dared to "trample the Constitution by making amendments in the part of restricting the president's rights" and the advice to replace the presidium, which "has become a mouthpiece for the most extreme views that are being imposed on the Supreme Council as a whole." Let the bygone be bygone, however...

The president's speech contained a number of constructive proposals: He reported that the edict on the disbandment of the Supreme and local councils has been repealed, that is, the problem that stood in the way of searching for a compromise has been removed. Now it is necessary, the president thinks, to form a commission to conduct negotiations, empowered to search for real solutions for getting out of the constitutional crisis. Yu. Meshkov would like to see in it Deputies Bruns, Zyryanov, and Loyevskiy. The president "would not object to the Supreme Council' nominating their candidates for concrete ministerial posts and substantiating why they need to be replaced in a crisis situation." If by objective parameters they turn out better by several orders of magnitude than the current ones, he would agree, but, "if we replace them even with those of equal capabilities, this is not expedient in the crisis situation."

In the end he said really remarkable words: "Today the appraisal of the situation from a personal perspective should be set aside, and interests of the state should be brought to the forefront; therefore, the decisions we make should be more responsible."

Let us, however, listen to the other side—the deputies. The most remarkable part is that, in the stormy debates that followed the president's speech, personal ambitions were not heard—only the options for the next steps to be taken, and all of them were aimed at rapprochement, conduct of negotiations (although I personally find it strange writing that our powers that be conduct negotiations among themselves as if they were talking to foreign diplomats). Nadir Bekirov expressed the mood of the audience in the most concise form: To form a delegation, go back to the factions, discuss the state of affairs, and in parallel continue discussing the law on the government in the second draft. Which was what the deputies did in the remaining time.

Ukrainian Parliament Decree on Crimea

944K2405B Simferopol KRYMSKIYE IZVESTIYA in Russian 24 Sep 94 p 1

[Report by N. Zubkova: "Ukrainian Supreme Council on the Situation in Crimea"]

[Text] *On Thursday, while Crimean deputies and President Yu. Meshkov attempted to build a bridge of mutual understanding, the session of the Ukrainian Supreme Council heard the report of the temporary deputy commission, which returned from a trip after studying the situation firsthand.*

After a rather lengthy and quite uneven discussion, in the course of which the subjects of liquidating the autonomy status of the Republic of Crimea came up more than once; after the remarks of A. Melnikov, deputy chairman of the Crimean Supreme Council; after the factions held their meetings, a decision was adopted on the political-legal situation on the peninsula.

Having identified as the cause of the political crisis in the Crimea the extreme exacerbation of the economic problems and the inability of the executive and legislative branches to find a common approach to their effective solution, and drawing on the conclusions made by the temporary deputy commission, which worked in the Republic of Crimea from 16 to 20 September, the Ukrainian Supreme Soviet resolved (quoted from the tape recording):

1. To accept the appraisal of the situation in the autonomous Republic of Crimea contained in the statement of the presidium of the Ukrainian Supreme Council dated 12 September and the temporary commission's conclusion.

2. To ask the president of Ukraine—the guarantor of observance of the Ukrainian constitution and laws—to utilize the measures to coordinate the acts of the organs of executive authority of the autonomous Republic of Crimea with the Constitution and laws of Ukraine, except for the president of Crimea's edicts on suspending the activities of the Crimean Supreme Council and local councils of all levels, which leads to a liquidation of people's power in the autonomy.

3. The Crimean Supreme Council before 1 November shall bring the Constitution and laws of the autonomous Republic of Crimea in compliance with the Constitution and laws of Ukraine.

4. The temporary deputy commission on the study of the situation in the Republic of Crimea shall continue its work.

In the event the Crimean Supreme Council does not implement Point 3 of this decree together with the commission on the questions of legal policy and judiciary-legal reform, a draft decree on measures stemming from the Constitution and laws of Ukraine shall be presented before 1 November[as published].

5. The Cabinet of Ministers of Ukraine shall provide assistance to the autonomous Republic of Crimea in solving the problems associated with the preparations for the winter season of 1994-1995 and improving the sanitation and epidemiologic situation in Crimea.

6. The results of implementation of this decree shall be reviewed before 5 November 1994.

Let us add that this decree, read by Ukrainian Supreme Council Chairman O. Moroz, was adopted by 305 votes.

Edict Repeals Government Administration

944K2405C Simferopol KRYMSKIYE IZVESTIYA in Russian 24 Sep 94 p 1

[Text of the decree No. 131/94 of the Republic of Crimea President "On Suspending the Action of the Republic of Crimea President's Edict"]

[Text] For the purpose of preserving the stability in the society and the state, civic peace and calm; and preventing tension in the relations between the legislative and executive branches of authority in the Republic of Crimea; taking into account the presence of conditions for a compromise resolution of the current controversy; as a demonstration of goodwill toward reconciliation and accord; and despite the imposition of legislative restrictions on the authority of the Republic of Crimea president,

I DECREE:

1. The operation of the Republic of Crimea president's edict "On the Organization of State Administration in the Republic of Crimea During the Period of Preparation and Conduct of the Referendum on the Draft Constitution of the Republic of Crimea," dated 9 September 1994, shall be suspended.

2. This edict becomes effective on the day of its publication.

[Signed]President of the Republic of Crimea Yu. MESHKOV
[Dated] 22 September 1994, Simferopol
No. 131/94

Tatars Oppose Meshkov, Legislative Policy

WS2709123994 Simferopol GOLOS KRYMA in Russian 16 Sep 94 p 1

[Appeal by the Crimean Tatar People's Majlis in connection with the escalation of the political situation in the Crimea; in Simferopol on 13 September]

[Text] The political crisis, which erupted in the Crimea, has put the peace and civic accord of the peninsula in jeopardy. Recent events have once again testified to the fatality of the political course by Yu. Meshkov and the majority of Crimea's Supreme Council deputies. Instead of a necessary joint resolution of difficult social and economic problems and an adoption of urgent measures for improving people's lives, both President Yu. Meshkov and the majority of Crimea's Supreme Council deputies began to fervently adopt political resolutions which have lead to a hard and protracted conflict with Ukraine's president and the Supreme Council. Since the first days of Crimea's Supreme Council activity, the Kurultay deputy faction has more than once appealed to immediately begin working out measures for leading the Crimean economy out of the crisis. Unfortunately, these appeals have been ignored. The situation has become extremely difficult also due to the fact that many resolutions and laws adopted by Crimea's Supreme Council came into conflict with Ukraine's Constitution and laws, and undermine the territorial integrity of the state, thus threatening all Crimean residents with grave consequences. The crisis in the Crimea continues to intensify along with Yu. Meshkov's criminal opposition to the process of restoring the rights of the Crimean Tatars in their fatherland.

At the same time, last week's events testify to the imperfection of Crimean legislation and the need for its revision to maximally satisfy the interest of all Crimean residents. The adoption of legislative acts to restore the rights of the Crimean Tatars cannot suffer any further delay.

Under current circumstances, the Majlis of the Crimean Tatars addresses all citizens as well as social and political organizations with an appeal to consolidate their efforts in opposing the irresponsible and reckless polices of the Crimean administration and to stop any attempts by politicians to draw the Crimea and its residents into an abyss of chaos and tyranny. The Crimea and all of us have only one way out of the crisis—the observance of internationally accepted principles of territorial integrity of sovereign states and the creation, on this foundation, a legal basis for resolving all existing problems.

[Signed] Adopted at the session of the Majlis of the Crimean Tatars in the city of Simferopol on 13 September 1994.

Presidium Member on Political Events

944K2405A Simferopol KRYMSKIYE IZVESTIYA in Russian 24 Sep 94 p 1

[Interview with Andrey Bruns, a member of the Crimean Supreme Council's presidium, by N. Gavrileva under the rubric: "Crimean Supreme Council: A Week in Review"; place and date not given: "Our Strength Will Be in Unity"]

[Text] *This time, the past week's results are summed up by Andrey Bruns, chairman of the Commission on Ecology, Rational Use of Natural Resources, and Land Issues, member of the presidium.*

[Bruns] One of the brightest moments, of course, was the president's appearance at the Supreme Council session. Until then the relations between the branches of authority shaped up as a war of laws; now an open step toward reconciliation was made. The president came here to attempt to improve the relations with the parliament. I am glad to see this—as one of my colleagues put it, I am part of the "presidential lobby."

The second notable fact is that a new parliamentary faction was created... You know that the Rossiya bloc began to split into factions, but some members remained in it by inertia, because for them it was something sacred—despite the fact that the bloc, as I see it, has moved far away from its election campaign goals and the bloc's leadership took a clear course of confrontation with the president... My election platform said that I would do everything possible to avoid such a confrontation. It turned out that some members of the Rossiya faction think more or less the same way, and they were unhappy over the actively aggressive policy conducted by the faction. As a result, a new faction was formed: Rossiya—Yedinstvo [Russia—Unity]. The first word means that its members remain faithful to the bloc's program, and the second—the new faction's tactics. Our strength will be not in confrontation but in unity—this is its task.

On Thursday, by the end of the day, it had 19 members; this is quite a lot. Aleksandr Frolov—a person quite respected and known in Crimea—was elected chairman.

[Gavrileva] How did the Supreme Council react to the president's move?

[Bruns] A commission was set up to conduct talks. The president asked to include three persons (Zyryanov, Loyevskiy, and your humble servant), but, by the results of soft rating, the people that made it there are those following the hardest, shall we say, line. However, Yuriy Aleksandrovich asked us to be present at the meeting, where M. Batarev said that the commission intended to discuss the questions that in fact deal with the repeal of all presidential edicts—and only that. The president put forward a reciprocal request: To look into the Supreme Council's decree restricting his rights.

[Gavrileva] What has this week brought us with respect to establishing the Crimean statehood—after all, practically all deputies came to the Supreme Council on the promise to develop and strengthen it.

[Bruns] This is a very broadly defined question. If we say that we have made progress—what is "progress"? Any step already is a development. In particular, the final split of the Rossiya faction and the president's attempt to establish contact with the parliament are steps in a certain development. Whether the results will be for better or for worse depends on the subjective viewpoint and the effect we will get.

[Gavrileva] But, thanks to all these events, we were practically stripped of our status of an autonomy.

[Bruns] Precisely! If we analyze the situation, it is easy to understand that it all depends on the goal toward which we are moving.

[Gavrileva] And what is that goal?

[Bruns] Different people have different goals. For some it is to preserve the statehood; for others—to attain economic power in Crimea; for the latter, it is all the same whether we have a republic or an oblast here—the important part is that they will find themselves at the top, and they are advancing that goal quite well. Speaking of the former, however...

[Gavrileva] Which, of course, is the president's side, is it not?..

[Bruns] Of course. From their standpoint these relations with Ukraine lead to a regression.

[Gavrileva] How do you see further development of the events?

[Bruns] We already said that we need a referendum, but I believe that the Supreme Council will not agree to any referendum. For the people I mentioned above, it does not matter in which form our constitution will exist—abridged or full. Therefore, we can expect any arrangements between the Supreme Council and Ukraine...

Report on Crimean MVD Anticrime Operation

944K2394C Simferopol KRYMSKAYA GAZETA in Russian 23 Sep 94 p 1

[Article by Nataliya Panasenko, KRYMSKAYA GAZETA special correspondent: "The First 'Yellow Leaf' Lay on the Soil of the Political Feuds"]

[Text] Simferopol-Yalta—Let me explain the title first of all: "Yellow Leaf" was the name of the first stage of the large-scale operation conducted by the Ukrainian Ministry of Internal Affairs in Crimea. They held a news conference to familiarize representatives of the mass media with its results. In order to make the discussion more impressive, they placed on the tables some of what they had been able to confiscate: edged weapons and firearms, narcotics and all kinds of narcotic substances, gold and ornaments, and a multitude of other items that were characteristic of their former owners. All this looked very impressive. The situation in Crimea was discussed by the recently appointed acting chief of the Main Administration of the Ukrainian Ministry of Internal Affairs in Crimea, Colonel Vitaliy Nikolayevich Kirichenko.

He said that in eight months of this year 21,047 crimes had been committed. There is a rise in crime within the purview of criminal investigation. Twenty percent of them are premeditated murder. Many of them were committed audaciously and cruelly. There were 166 crimes involving firearms and 80 of them were murders; 48 of them have not been solved yet. The leaders in serious crimes are Simferopol, Kerch, Yalta, and Belogorskiy and Dzhankoyskiy Rayons.

The number of rapes has increased recently, and frequently the victims are children and school girls. As before, there are many thefts of property. The number of thefts of state and collective property has decreased, but the number of thefts of personal property has increased by 8 percent, and auto thefts—by 14 percent. "Renowned" for this above all are Feodosiya, Armyansk, Dzhankoy, Kirovskiy Rayon, Yevpatoriya, and Belogorskiy Rayon.

Crime is tending toward consolidation. Frequently the militia have to deal with serious criminal formations—gangs and groups. At the present time 59 group crimes have been solved, and 72 firearms, 48 motor vehicles, $24,000, and a large quantity of drugs have been confiscated. What was placed on the table for the press to view before the news conference was only a small part of it. If everything that had been confiscated had been placed in the hall, there simply would not have been room for the journalists.

Drunkenness is having an impact on the rise in crime. Some 486 drivers were arrested for driving while intoxicated. Vitaliy Nikolayevich noted that in these cases, as a rule, they begin the conversation with the inspector with the following phrase: "You can consider yourself fired, you will not be working here tomorrow...." Drunk driving and other such behavior will dealt with in the harshest way in the future.

The "Yellow Leaf" operation itself was discussed in detail by the deputy chief of the Ukrainian Ministry of Internal Affairs, Yuriy Fedorovich Kravchenko. After a careful study of the operational situation, the Ukrainian Ministry of Internal Affairs decided to render practical assistance to Crimea in fighting crime. From 16 through 19 September 2,500 specialists from all over Ukraine with the support of 300 national guardsmen and special Berkut subdivisions conducted a number of operations and raids in local areas, which caused special alarm. With the consent of the procuracy they arrested 59 people and solved two murders, two cases of serious bodily injury, six muggings, nine auto thefts, and 28 crimes in the sphere of the economy. They confiscated 22 firearms and 54 kilograms of narcotics. Work with the individuals arrested and procedural implementation of measures is now underway.

The growth of crime dropped by half during the days when the operation was underway—from 111-115 to 51-52 per day.

Still Yuriy Fedorovich Kravchenko noted: "The results are gratifying but, of course, we understand that it is impossible to put an end to crime with such operations alone. Because crime is a social phenomenon and its viability depends on the condition of the economy, the spiritual awareness of society, and the legal base."

After that there were questions. They varied. Beginning with what was new about the shootings in Lesbar and Simferopol and when they would put an end to the gang in Leninskiy Rayon. General laughter was evoked by a question from a representative of Ukrainian radio: "Why has the quarreling among the gangster groups ended? Have they really all killed each other off?" But the leader, as always, was T. Korobova, trying to clarify:

"If the law for the militia is the tsar and God, as Kirichenko put it, does it really end at the offices on the sixth floor where the president's team and his guard are located?" Someone wearing Adidas on the street may be a gangster, but on the sixth floor—what is he, a member of the guard?" "How did Kirichenko find out about his new appointment as soon the first notes of the president's 'Swan Lake' were heard?" "What did they do with the 'interned' Colonel Chernyshov?"

Ministry of Internal Affairs representatives clearly did not expect questions like that. They explained the situation as best they could and promised that they would soon put an end to the gang in Leninskiy Rayon; in the shooting next to Lesbar, incidentally, for the first time in Crimea a contract murder was solved, all because of the fearlessness of two militiamen who were on duty. That is the kind of people the militia are! They should be treated with the proper respect!

But the conversation still did not proceed in the proposed channel. "But where is General Kuznetsov? What is his fate now?"—the journalists would not let up. "Did V. Minin ask the board of the Ministry of Internal Affairs of Crimea to provide a guard against the deputies?" "Well, was the deputy minister of the Ministry of Internal Affairs of Crimea, V. Petukhov, in the building of the television center when it was seized by the Yalta Cossacks? Or by a special subdivision from Dnepropetrovsk? Or Cossacks?..." and so forth.

N.F. Kravchenko again gave restrained explanations. But the attack was repeated. They got back to V.N. Kirichenko too and wanted to know about his biography. Finally they decided to close the news conference since it had become fairly stuffy in the hall, and the lady journalists, obviously, were not themselves.... In a word, the first attempt to speak with the press can be considered a failure. The "Yellow Leaf" lay on heavily politicized Crimean soil. But still V.N. Kirichenko made a final attempt:

"Come and look at the weapons that were confiscated. Because of the fact that we have them, somebody's life will be saved...."

"Vitaliy Nikolayevich, I would rather come and see the weapons which you take away from the president's illegal guard," noted L. Budzhurova.

Cholera Cases Rise in Crimea

MM2709124794 Moscow TRUD in Russian 24 Sep 94 p 2

[POSTFACTUM report: "Cholera in Crimea—It's A Secret"]

[Text] Information connected with cholera is still classified today and medical staff have been banned from giving any figures or statistics.

Meanwhile, the number of cholera victims continues to rise: Yesterday there were 63 registered patients and five deaths, today the number of patients has risen to 82, 12 of them children, with six deaths, according to the unofficial figures.

According to the forecasts of Viktor Mariyevskiy, the chief medical officer of Ukraine, it is expected that there will be up to 200 cholera patients in the Crimea.

In addition, in Simferopol and surrounding areas many hospitals are now taking in dysentery and hepatitis patients, now numbering around 2,000 cases, and first aid teams have been bringing in around 170-190 cases of acute intestinal infection a day.

On Wednesday cholera and dysentery hospitals were placed under the protection of Ukrainian national guard subunits.

Saburov: Ukraine Not Financing Anticholera Measures

LD2709132494 Moscow INTERFAX in English 1204 GMT 27 Sep 94

[Text] Measures aimed at fighting cholera are being financed only from the budget of the Crimean Republic, the republic's Vice Premier Yevgeniy Saburov said on Crimean TV on Monday.

He said the Crimean government had long ago provided Kiev with all the reasons for financing the anticholera program. However, "despite resolutions by the Ukrainian president and prime minister, we have received no money."

According to the Vice Premier's spokeswoman Galina Kostina, 60 billion karbovantsy were earmarked for the anticholera program from the Crimean budget. As of September 26, 111 people are registered cholera patients in Crimea.

Speaking about his resignation, Saburov said that he had to remain at the post of Vice Premier because there is no one to succeed him.

"I am waiting for the opportunity to step down, because I do not want to bear responsibility while having no rights," he said.

Kuchma Advocates Reforms in Finance, Banking

LD2709224394 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 27 Sep 94

[Text] Ukraine has exhausted its survival resources, and the only way to come out of the economic crisis is to pursue vigorous reforms in the economy and in the finance, credit, and banking systems, said President Leonid Kuchma at a meeting with Ukraine's leading bankers on Tuesday. He noted that this is a risky path to take, but there is no other way. The meeting, held behind closed doors, was advisory, as Leonid Kuchma consulted bankers on certain points of his upcoming address to parliament so as to make the necessary amendments.

The head of the Ukrainian state said bluntly that he would like to undertake a comprehensive state reform of the banking system with the help of the bankers themselves. The matter, he said, must be in the hands of the experts. The bankers voiced their support for the president's proposed plan.

Legislators Endorse Odessa Oil Terminal

AU2709125594 Kiev MOLOD UKRAYINY in Ukrainian 23 Sep 94 p 1

[Report by MOLOD UKRAYINY legislative correspondent Olena Hubina: "Scent of Oil at the Supreme Council"]

[Text] Shortly before Ukrainian legislators submitted the question of building the Odessa Terminal for discussion, people's deputy Volodymyr Bortnyk [victim of an attempted assassination], head of the "Ukrahrotekhservis" [Ukrainian Agricultural Technology Service] Concern, returned to Kiev after medical treatment in Austria. After correlating the two events, journalists made a comment that the scent of oil pervaded the Supreme Council. People's Deputy Volodymyr Yavorivskyy expressed his opinion in a somewhat sharper manner: Where there is oil, there is also blood, big money, and a very big policy.

The "Bortnyk affair," the deputies agreed, is pure politics. Volodymyr Bortnyk speaks with the frankness of a person, who has returned from the dead—right, those responsible for the attempt on him should not be looked for away from Kiev and from governmental circles.

"The foot-dragging in the building of the Odessa Terminal is nothing but policy," says Academician Ihor Yukhnovskyy.

In both cases, it is actually the same topic: Obstacles to the creation of a normal petroleum market in Ukraine and finding alternative sources of oil supply.

Today, Ukraine is capable of receiving, via pipelines from Russia, 55 million metric tons of oil annually. According to Prime Minister Vitaliy Masol, this year, it is only with God's help that we may get 15 million tons. He explains that, despite the pipelines, Ukraine buys little oil from Russia, because we have simply no money.

Volodymyr Bortnyk offers the following pattern of events. As far back as the last year, Ukrainian-Russian accords on the adoption of world prices in financial settlements for Russian oil were signed. At the end of the last year, the price was supposed to be $90 per ton, at the beginning of the current year—$105 per ton, then $110, and so on. Owing to the alternative purchase of petroleum products by the "Ukrahrotekhservis," pointed out Bortnyk, additional 1,200,000 tons of oil got to the market during this year's sowing campaign. The prices went down: between $70 and $80 per ton.

However, stated Bortnyk, now that his concern has been ousted from that activity, Russia sells oil to Ukraine at $106.

In Ihor Yukhnovskyy's opinion, the delay in building the Odessa Oil Terminal is only to Russia's advantage. The project for building the terminal and the oil pipelines, connecting Odessa, Kirikal [name as transliterated], and port Samsun in Turkey, is very advantageous for Ukraine. On the one hand, this is a channel for receiving Iranian oil. On the other hand, adds Volodymyr Yavorivskyy, it may be a channel for getting oil from Kazakhstan, Turkmenistan, and Azerbaijan. The latter countries are considered to be serious suppliers of oil in the 21st century. However, Russia may easily take the initiative of implementing the project of the oil pipeline via Kirikal. Then Ukraine will be compelled to buy oil from Russia both in the north and in the south.

According to Yukhnovskyy, the entire project is estimated at $2.5 billion. The first stage envisages the building of a temporary floating terminal with a capacity of 12 million tons of oil. It costs $780 million. The Turkish and Austrian sides are ready to invest in the building of the oil pipeline on Turkish territory. According to Yuriy Kostenko, minister of environmental protection, final conclusions by expert environmentalists will be ready on 25 September. He believes that they will be favorable.

However, the Supreme Council has again delayed, by one month, the final decision on the building on the pretext that it needs to be studied more thoroughly.

Supporters of the construction of the terminal are optimistic about the implementation of the project and hope that this question will not be buried beneath papers, as Oleksandr Moroz [parliament chairman] also voiced his support for the project. Volodymyr Yavorivskyy proposes to convince Odessites by incorporating a paragraph into the resolution to envisage that a certain percentage of the profit from the activity of the terminal will remain in Odessa.

Kuchma's Former Adviser Speaks on Economy

WS2709110094 Kiev UKRAYINA MOLODA in Ukrainian 20 Sep 94 p 3

[Interview with Candidate of Economic Sciences Oleh Soskin, deputy director of the Institute of World Economy and International Relations, former adviser to former Prime Minister Leonid Kuchma, by Oleh Olenyuk; place and date not given: "There Are No Reforms in Ukraine"]

[Text] [Olenyuk] Is the agreement "On Free Trade" beneficial to Ukraine?

[Soskin] I would like to discuss this matter in conjunction with a variety of other issues. Yes, Ukraine acquired its independence in 1991. What did we have at the time? Was Ukraine a debtor state? No, it was not. It, however, accounted for 16 percent of the USSR debts but we also had 16 percent of its available assets. Later, rumors were spread that these assets would never be returned. Why? India is currently settling its debts, and Iran, Egypt, and some other states will also begin settling their debts with us. Therefore, Ukraine's shares of the available assets of the former USSR exceed its debts considerably. Next, 16 percent of the diamond and gold funds belonged to us but no one knows how much this is in terms of money. Rumors are spread all across Ukraine that we have lost all this (at the same time, our assets also included various facilities, including those located abroad). Were the issues of the Black Sea Fleet or oil pipelines raised in 1991? No, in 1991 everything belonged to Ukraine and not to the Russian Federation. We were potentially strong and had no debts. What do we have currently when they say that Russia is our older brother, and that Russians represent a friendly nation? Russia's claims to the Crimea, to the largest share of the Black Sea Fleet, or to Sevastopol (in fact, Russia wants to take it away from Ukraine and the moves by Sevastopol and Crimean administrations are undoubtedly aimed at separating them from Ukraine) are mere blackmail....

[Olenyuk] Blackmail can also be inspired....

[Soskin] Yes, this is a result of the actions produced by the Russian fifth column in Ukraine. When the issue of the Black Sea Fleet division is raised, the Russian fifth column begins whipping up passions and anti-Ukrainian sentiments....

[Olenyuk] So, let us return to the agreement....

[Soskin] The aforementioned document cannot be discussed without its historic background. What about the agreement? Let us sign similar treaties with the United States, Poland, and other states. Let us lift customs obstacles, introduce free exchange of goods and labor force....

[Olenyuk] Excuse me, how can a state whose domestic prices differ from those established on the world market remove customs control?

[Soskin] Russian goods are sold at world prices, while at the same time our goods—due to state regulation of prices—are underestimated. If we sign an agreement, then in a few months Ukraine's agricultural products, as well as other goods, will be exported from Ukraine. In addition, Chechnya, Dagestan, and Osetia are part of the Russian Federation. If we sign an agreement with Moscow, we will also take on the "bulk" of their problems.

[Olenyuk] Does this imply that the agreement "On Free Trade" is unfavorable to Ukraine?

[Soskin] It, in fact, leads to a betrayal of our strategic national interests, and anyone who encounters this path is the enemy of the Ukrainian state. We should keep this in mind and speak out publicly on the issue.

[Olenyuk] We are Russia's debtor and we have to settle our debts.

[Soskin] Yes, our debt stands at $2.8 billion. Mention should be made about the unfairness of this debt. This debt was accumulated due to the unprofessional moves by the leadership of the National Bank of Ukraine and the government headed by Fokin [Ukraine's prime minister nominated to the post in 1991, the incumbent president's first economic adviser], Hetman [chairman of the National Bank of Ukraine in 1991], and Minchenko [chairman of the State Committee for Material Resources of Ukraine, nominated to the post in 1992]. They established a system of mutual accounts when we bought energy resources at world prices while our agricultural products were being sold at prices 10 to 15 percent below world prices.... Ukraine is currently threatened with losing its system of oil and gas pipelines and 48 facilities abroad. If we agree to Russia's conditions, Ukraine will become a "rug" for the Russian conglomerate's neocolonial policy.

[Olenyuk] Did Fokin propose any options then?

[Soskin] Had Ukraine and Russia not traded as independent states at a time when their economic entities held mutual accounts, we would not have amassed any debts and would not be forced to look for any specific relations with the Russian conglomerate now. We would only have normal relations with Moscow as we have them with Poland, Hungary, or any other state.

[Olenyuk] According to our president, "we will not survive without Russia...."

[Soskin] This does not correspond with reality. We can live without the Baykal-and-Amur railway, the Baltic Fleet, and the Pacific Ocean. What do we lack? Energy resources? Russia, however, has no energy resources either, and in some five years will have to import oil.

[Olenyuk] The "Economist" has published another figure—the year 1995....

[Soskin] This shows that we should look for energy resources—oil and gas—in other places. We need only 40 million tonnes of oil. Can we find this oil elsewhere? Of course, yes. We only need a pipeline for this oil. Therefore, I believe, that we have adopted a correct decision to construct an oil terminal in Odessa. Turkey will construct an oil terminal for the Persian Gulf and the Middle East oil which could be easily transported across the Black Sea by oil tankers to Odessa.

[Olenyuk] This terminal will hardly resolve all the issues....

[Soskin] Our 40 million-tonne terminal will provide oil not only for Ukraine but also for selling it to Russia because Ukrainian oil processing facilities can handle 60 million tonnes of oil annually. In addition, our oil processing facilities can be renovated if we sell them to financial-industrial corporations. I imply normal financial-industrial corporations and not those created by the Ministry of Economy under comrade Minin's guidance [he was nominated to the post of the first deputy minister of economy in 1991]. The world does not recognize financial-industrial corporations that are based on the state property. If these monsters are established, they will harm not only Ukraine and Russia but also the entire world.

[Olenyuk] As far as I know, the presidential team supports the idea of establishing financial-industrial corporations.

[Soskin] I believe they do so because they are ignorant. There are no economists-experts on financial-industrial corporations on their team because we only had a school for "developed socialism," but have never finished the school for international trade. Yes, they have learned various new words such as "shares," "stock exchange," "distributor" but they are still not accustomed to horizontal, vertical, or branch types of transnational companies. By the way, they do not even know on what kind of property they are based. Lenin once warned against state transnational companies....

[Olenyuk] Let us return to other presidential edicts, especially to the edict "On Foreign Currency Regulation." What would happen to our economy and to retail prices if the market exchange rate of the dollar is introduced?

[Soskin] We are currently using the market dollar exchange rate, and fixed prices exist only for municipal services. Only they (I imply our government) live according to the Zvyahilskyy dollar exchange rate—they pay their telephone bills and buy foreign currency for foreign business trips—while the rest of the population have already gotten used to new realities.

[Olenyuk] The motivation for the gradual rejection of the fixed dollar exchange rate was based on the expectation that prices would climb by a factor of 2 or 2.5....

[Soskin] Everything—energy resources, goods, and other things—is being sold at market prices. Only the removal of state subsidies for municipal services could again trigger an increase in prices. However, the next major price increase is only possible when a new portion of unbacked money is printed. Otherwise, prices will not grow by more than 20 or 25 percent.

[Olenyuk] But they say that printing new money is a kind of "social protection...."

[Soskin] Had they not printed money in the summer, we would not have our current problems. By the way, when Kuchma was our prime minister, he was a strong supporter of printing new money. Do you remember how prices grew each month last summer? The additional printing of money will only increase prices and lead to a social explosion.

[Olenyuk] Let us make forecasts. If a dollar exchange rate is liberalized before December, what consequences do you foresee?

[Soskin] It is not enough to liberalize the exchange rate. We should lift restrictions on increasing wages and salaries, introduce market prices, and refuse to regulate prices for raw materials. Prices for energy resources should be established through stock exchanges. Minchenko and Pyatachenko [he was nominated to the post of minister of finance of Ukraine in October 1991], however, dissolved our stock exchanges in 1992, and thus abolished the basis for introducing market prices in Ukraine. Should we, however, introduce market prices, it is necessary to urgently revise our tax policy but not follow our Minister of Finance Hermanchuk who proposed rescuing our state bankruptcies. It is likely that enterprises would be granted tax breaks. The next important step is the liberalization of our foreign trade. Customs duties should be imposed only on raw materials.

[Olenyuk] What about customs duties on imported goods? Production costs for certain types of Ukrainian goods is higher than on similar goods on the international market.

[Soskin] Customs duties on specific goods are introduced to protect our domestic goods.

[Olenyuk] Do you agree that tax breaks will considerably reduce our budget revenues?

[Soskin] But we have no budget and we are living on credit.... Well, before a hryvna is introduced in Ukraine, the circulation of both currencies as well as tax breaks should be permitted. Then the state will get rid of its heavy burden of additional expenditures, and our coupons will enjoy a more congenial atmosphere. Expenditures will remain the same—salaries, wages, and social needs.

[Olenyuk] Even Russian economists believe that by introducing the ruble as the sole legal tender, has saved it from devaluation.

[Soskin] They have saved nothing; they have a 1 percent inflation rate per day. In general, the Russian economy is very sick. The six-month drop in production stands at 28 percent, half of their enterprises are standing idle. It is a myth that everything is fine in Russia. Their currency is stable only in relation to the Ukrainian coupon....

[Olenyuk] How can further budget crediting harm us?

[Soskin] It can destroy sound businesses because their money will be used for putting make-up on dead people, which will ultimately cause all of us considerable harm. To my regret, this policy is currently being pursued.

[Olenyuk] Can we expect that our government and presidential team will make any radical changes?

[Soskin] They differ greatly. We have a young, dynamic presidential team including experienced political scientists, managers, and organizers, but we lack economists. All their problems stem from a lack of economists because there are no people to implement economic projects at the macro level. As for the Cabinet of Ministers, there is no such team at all, there is only a "mixture of people": One member is from the legislature, another is a Masol man, the third—a Kuchma proxy, the fourth—a Kravchuk representative, and so on. It is natural that work under such conditions is very difficult.

The point is: The economic situation in Ukraine will deteriorate. A culprit will have to be found. The figures show a deterioration of the economic situation: The market dollar exchange rate is growing, prices for petrol are increasing, lines for bread are becoming longer. All this shows that there are no reforms in Ukraine.

State Control Needed To Rescue Coal Industry

AU2709131194 Kiev URYADOVYY KURYER in Ukrainian 17 Sep 94 p 3

[Interview with Semen Saratykyants, candidate of technological sciences, senior scientific associate at the Donetsk Coal Institute, by URYADOVYY KURYER special correspondent M. Lisovenko; place and date not given: "The Entire Industry Needs To Be Rescued"]

[Text] **Winter is close at hand. Thermal electric power plants have no coal reserves. Due to chronic shortages of coking coal, several blast furnaces have already stopped operating. Coke batteries have long been without full norm of raw materials. Nor is there enough fuel for the needs of communal services. It may cost 14 million karbovantsi [K] to procure a truckload of anthracite coal from commercial vendors. Wages are not paid on time at almost all mines. Over the past 15 years, coal extraction in Ukraine has decreased by a factor of three and, as a result, just 100 million metric tons of coal may be expected in 1994.**

With all these circumstances in mind, URYADOVYY KURYER's special correspondent M. Lisovenko turned to Semen Saratykyants, candidate of technological sciences, former first deputy minister of Ukraine's Coal Industry and presently senior scientific associate at the Donetsk Coal Institute, with a request to analyze the situation and express his ideas on ways to emerge from the crisis.

[Lisovenko] Do you, an authoritative person with 47 years of experience in the mining industry, see a way out of the critical situation, in which our coal industry has found itself?

[Saratykyants] Yes, I do. Incidentally, not just myself, but also thousands of my colleagues. Three things are necessary in order for the industry to start working normally: discipline, financing of the industry, and its material and technological provision.

In the overwhelming majority of coal-extracting countries, miners have long enjoyed the protection of either the law on mining or of mining statutes. In our country, quite a number of persons and organizations were against such documents, which might constitute a real foundation for labor discipline. The government and the legislature did not show sufficient determination on this issue and, therefore, the level of labor discipline at mines is very low. In all countries of the world, with the exception of the United States and Australia, the coal industry is subsidized by the state. This is also the case here. However, Ukraine's destitute financial system has created much problems in such a basic industry as the coal-extraction branch. The skyrocketing prices, the long debates on the procedure and total sum of subsidies, the impossibility to repay debts for state orders, and the poor material and technological provision—all of these factors taken together have led to a situation, in which economic levers, which the state might use to control the situation, are extremely inefficient.

Let us take the following example. In order to procure a coal extraction complex KD-80, the mine must pay K27 billion. Enterprises do not have this much money. Machine building plants know this and hardly manufacture any such advanced technology. As a result the mines are compelled to use the available machinery and equipment until they become totally unserviceable. The consequences are known: While relatively recently, the million-strong army of coal miners extracted more than 200 million metric tons of coal a year, now, in 1994, one can only pray that at least 100 million tons may be produced. In other words, the efficiency of labor has decreased by 50 percent.

[Lisovenko] Some of the leaders of coal mines demanded economic independence for their production associations and promised to show examples of profitable work. Did they get positive results?

[Saratykyants] Collectives of 12 enterprises embarked upon a free market venture, the total number of coal enterprises being 252. An analysis of the activity of these mines performed by a large group of scientists of our institute has shown that there are no achievements to speak about. Not a single mine can, on its own, take care of its future, the miners have not received any benefits; "without state assistance, these enterprises are doomed to eat up what was put aside in the past and fight for their survival as long as the initiators of the separation have strength and energy to do so." It is a quotation from the report prepared by the scientists, and one can trust them.

[Lisovenko] Is there any way out of the blind alley in which the industry has found itself?

[Saratykyants] Yes, there is. A state structure for control over the branch must be urgently established. A normal Ministry of Coal Industry must again be created in

Donbass and it must be granted funds, material and technological resources, and legal rights. Then, the state, once it has done everything necessary, may demand returns from the branch, which now needs to be rescued as a whole.

Mayors Urge Revision of Law on Local Soviets

WS2709114394 Donetsk DONETSKIY KRYAZH in Russian 9-15 Sep 94 p 2

[Report by Oleksandr Tarasyuk: "The Opinions of West and East Concurred"]

[Text] There are many contradictory opinions regarding Leonid Kuchma's edicts, through which he managed to practically assume complete control over the executive branch. This happened when the majority of lawmakers were vacationing on the Black Sea. Even Dmytryy Tabachnyk, head of the presidential administration, said that the aforementioned "edicts can trigger conflicting responses."

Kharkov political scientists differ in their assessments of future developments. Pessimists say that new people's deputies will oppose the edicts and a confrontation in the legislature is inevitable. Ordinary people do not stay on the sidelines and refer to the experience of former Russian lawmakers. Our oblast newspaper VREMYA reassured it readers by writing: "Kuchma is not Yeltsin, and Moroz is not Khasbulatov." VREMYA referred to experienced politician Valeriy Meshcheryakov, deputy chairman of the Kharkov oblast executive council, who said that Leonid Kuchma's edicts are directed at avoiding a situation of multiple authority in the state. If it were otherwise, Ukraine could face a serious problem with regard to autonomous state bodies in the provinces.

There is every reason to think this way. This issue was discussed at the general meeting of the Association of Councils of People's Deputies of Ukraine. The meeting was peculiar. Some of its participants spoke in favor of calling it irregular or emergency. Former president of the association, Viktor Markushev (Kharkov Mayor Yevgeniy Kushnarev was elected its new president), explained to journalists that the situation, in which they found themselves after the legislature adopted the draft law "On Local Executive Councils" and thus completely ignored the opinion of provinces, made Ukrainian mayors assemble in Kharkov. Almost all of the local representatives of power bodies—representing both the east and west of Ukraine—believed that this law encroaches on their independence and self-government. Therefore they were in a hurry to convene their meeting in Kharkov (before, Kharkov was not a member of this association) to urgently develop their proposals and recommendations regarding this draft law before the regular Supreme Council opens its plenary sessions.

The haste was also triggered by certain other circumstances. Overall lawlessness has exhausted the people. Ukraine is sliding rapidly into an abyss. This affects the work of the local executive councils, especially those in big cities. All of society had hoped that new people would come to power. A new legislature was elected and a new prime minister was nominated, but the confrontation at the top echelons of power has increased. The battles for portfolios are continuing, top leaders are claiming to be empowered with more executive powers. The more often these "top officials" meet with "ordinary people," the more pessimistic the people become.

We still remember Prime Minister Vitaliy Masol's statements when his candidacy was discussed by the legislature. He declared that he will head the Cabinet of Ministers if he is given all power, and he does not agree to the role of the British queen. All the deputies agreed with him. Our new president spoke several times on this subject and refused to become a "figurehead." At the same time, Supreme Council Chairman Oleksandr Moroz recognizes only the supremacy of the Supreme Council. When he campaigned in Kharkov in the presidential elections, he finished his speech with the words: "I favor the soviet system of power!" The audience burst into applause. If we take into consideration the draft law on local soviets, lawmakers' promises are evidently being implemented.

Participants in the meeting admitted Kharkov, Donetsk, and Simferopol into their association and unanimously expressed their disagreement with the aforementioned draft law. They demanded that the president of their association be included in the Supreme Council's working group to redraft this law, and chairmen of the standing Supreme Council commissions, deputies' groups, and factions meet with members of the association's council. You should agree with me that this is the mayors' ultimatum.

Lvov Oblast Politicians To Establish Joint Bloc

WS2709140094 Lvov VYSOKYY ZAMOK in Ukrainian 9-15 Sep 94 p 1

[Report by Nataliya Balyuk: "In the Face of Danger, All Party Rifts Should Be Cast Off"]

[Text] **After almost two months of peace and quiet, the political parties and organizations of Lvov Oblast have decided to meet and discuss prospects for their activities. The most pressing issue, however, at this "round table" was the establishment of the oblast-wide bloc of national patriotic forces called to unite all patriotic forces of Lvov Oblast "under one umbrella." The "Lvivska Besida" public organization was the initiator of this drive. Poet Rostyslav Bratun, head of this association said:**

"We urgently need to establish this bloc. Conscience demands that all party rifts be dropped in the name of the highest aim. Therefore this bloc should not become a new party of power. It will never restrict the rights of political parties."

Director of the Ethnographic Institute Stepan Pavlyuk supported him. He said that our state is living through a crisis and is threatened with losing all that was accomplished over past years. Therefore, according to him, the task of the national-patriotic forces is to mobilize all forces in Ukraine.

Representatives of almost every political force, which assembled at the "round table" (I have not only met with representatives of the Ukrainian National Self-Defense and the Ukrainian National Assembly), agreed that it was necessary to establish a national-patriotic bloc. There were, however, varying opinions regarding its statute and tasks. For example, Larysa Krushelnitska insisted on the establishment of not an oblast-wide bloc but a Republican national front, because there are various parties and blocs in Ukraine. Oleh Pavlyshyn, head of the Lvov oblast branch of the Ukrainian Republican Party, stated that this front should be established only if there is a genuine danger to the state or when specific issues have to be resolved. For example, it is necessary to discuss the Russian-Ukrainian agreement, the draft of which does not at all satisfy the political forces of western Ukraine.

"We favor a temporary national bloc to address and resolve specific issues," said O. Pavlyshyn.

Poet Ihor Kalynets stated in his speech that it is primarily the oblast administration which threatens the people by ruining the state. To combat the "opportunist and inept power," the political forces of Lvov Oblast should unite.

Yuriy Kryvoruchko, who represented the "Moloda Ukrayina" association, spoke in the spirit of the Social National Party of Ukraine. He said that they will discuss the idea of establishing a political bloc only if they drop the idea of liberalism.

"The Ukrainian state is the state of the Ukrainian people. People of other nationalities and of other beliefs cannot have the same rights as Ukrainians," he declared. If the representatives in the meeting support this idea, the Social National Party of Ukraine will support the establishing of the national-patriotic bloc in Lvov Oblast.

The participants have also discussed the draft declaration, principles, and tasks of the national-patriotic bloc of Lvov Oblast. The declaration, for example, states that the bloc is a voluntary association of political parties, movements, and organizations preserving their own statutes, the aim of which is to build a strong and independent Ukrainian state. This draft triggered certain conflicting responses. Therefore, a decision was adopted to redraft the document, and discuss and adopt it at the next meeting, scheduled for Wednesday [21 September].

Belarus

Discord Between President, Lawmakers Noted

WS2809093594 Minsk BELAPAN in English 1600 GMT 27 Sep 94

[Text] On September 27, at the afternoon sitting, the parliament continued to discuss the agenda of the session. The president put forward a proposal to remove some items, in particular, not to debate the Housing Code, draft laws "on book-keeping and accounts", "on the National Archives Fund and archives", "on communications", "on the compulsory insurance of state employees". The president explained his proposal with the fact that the Cabinet of Ministers was not ready to submit the above-listed draft laws for discussion. But the lawmakers did not agree with the president's opinion and voted against the removal of these items. A heated argument was caused by a proposal to consider the possibility of increasing the minimum wage in the country, and a proposal by [Belarusian Popular Front Chairman] Zyanon Paznyak to enter on the agenda the draft law "on president". After Prime Minister Mikhail Chyhir and President Alyaksandr Lukashenka opposed increasing the minimum wage, the parliament decided not to consider the matter at the session. Paznyak's proposal was also voted down.

On September 28, the parliament will continue debating the agenda.

Popular Front May Join 'Democratic' Bloc

WS2809093794 Minsk BELAPAN in English 1600 GMT 27 Sep 94

[Text] In view of the forthcoming elections for the Supreme Soviet (in spring 1995), a number of democracy-oriented parties have consented in principle to the forming of an election bloc. Talks on this matter were initiated by six parties—the Belarusian Social-Democratic Hramada [Assembly], the United Democratic Party of Belarus, the Peasant Party, the Party of Popular Accord, the National-Democratic Party and the Belarusian Christian-Democratic Union.

At a conference which was held on September 26, the Belarusian Popular Front joined in the talks.

In an interview to a BELAPAN correspondent, Aleh Trusaw, Chairman of the Belarusian Social-Democratic Hramada, expressed his confidence that an election bloc of democratic and patriotic forces would be formed. Though, according to him, it is not ruled out that not all the parties that take part in the talks will form it. The bloc will be aimed at nominating a single candidate from democratic forces in the territorial electoral districts. If the parliament resolves to elect a certain part of MPs by party lists, every party will act independently. But he did not ruled out the possibility of forming common party lists of the Belarusian Social-Democratic Hramada and the Belarusian Popular Front.

The forming of a single democratic bloc, in Trusaw's opinion, will allow to avoid the mistakes of the presidential election campaign.

Lukashenka To Head Anticrisis Program

LD2709132394 Moscow INTERFAX in English 1207 GMT 27 Sep 94

[Text] Belarusian President Alyaksandar Lukashenka has said he is ready to "assume responsibility for the implementation of the anti-crisis program." It is expected that on September 29 he will outline the program at the session of parliament which is to approve it. In the address to parliament deputies on Tuesday Lukashenka also spoke in favor of strong vertical presidential power, which, he believes, "logically proceeds from the Constitution and corresponds to the time and spirit of the moment."

The president called on deputies to cooperate and search for a compromise to counteract the "increasing loss of control in the provinces." He said this loss of control was caused by the fact that the country is in the run up to parliamentary elections and also by the fact that new parliament and local deputies are to "enter power" for six months.

INTERFAX was told by a spokesman for the presidential administration that Lukashenka had in mind his proposals for reforming the executive power according to which heads of local executive councils should be directly subordinate to the president. If the parliament does not approve the proposals, the president wants to appoint heads of local administrations himself.

Trade Unions Criticize Anticrisis Draft

WS2809093894 Minsk BELAPAN in English 1600 GMT 27 Sep 94

[Text] The leaders of the Federation of Trade Unions of Belarus (FTUB) have sent a letter to the president and the prime minister in which they express their anxiety about the fact that a number of the proposals voiced by FTUB experts were disregarded in the latest version of the draft program of urgent measures for going out of crisis. These proposals concerned the procedure of carrying out reform, in particular in the fields of financial and taxation policy, as well as destatization and privatization. According to the authors of the letter, one of the most important proposals by the FTUB experts was not taken into account in the draft program—the demand to regard as one of the top priorities the stabilization of the living standard of the entire population, not only the most needy groups. Besides, in the latest draft program there are no provisions concerning the professional training and employment of unemployed young people who are looking for jobs for the first time, whereas the previous two versions included such provisions. The FTUB experts' proposal to compensate the population's bank deposits in view of inflation and the denomination of the Belarusian ruble was also disregarded.

Taking into account these and other shortcomings, the FTUB leaders conclude that the draft program does not fully correspond to the declared purposes—stabilization in industrial production, prevention of mass unemployment, and further decline in living standards.

Premier Deems Anticrisis Program Temporary

WS2709153194 Minsk BELAPAN in English 1200 GMT 27 Sep 94

[Text] In view of the fact that the Belarusian president and the Cabinet of Ministers intend to submit their program of urgent measures for going out of economic crisis to the Supreme Soviet session, on September 26, Prime Minister Mikhail Chyhir held a press conference on the program. Its implementation will last for nine months and is intended to stop the drop in industrial production and in the exchange rate of the Belarusian ruble. Prime Minister Chyhir also pointed out that the program was not long-term. The program is aimed at the stopping dangerous tendencies in the economy, and not at the fundamental reforming of the economy, Mikhail Chyhir declared. According to the prime minister, the program is not something permanent, given the fact that the government may take measures in one or another field of the economy, which are not envisaged in the program.

Deputy Prime Minister Viktar Hanchar said: It is not very important whether the parliament will approve or reject the program—the Cabinet of Ministers will carry it out anyway, because the president and the government assume the entire responsibility for the current economic policy. In V. Hanchar's opinion, the parliament's consent is required for giving Alyaksandr Lukashenka the right to issue decrees within the framework of the program, which may run counter to the laws conflicting the Constitution and the program. Mr. Hanchar thinks this will allow to carry out the program by means of presidential decrees and government resolutions. In addition to the program of urgent measures for going out of crisis, the government, according to V. Hanchar, attaches importance to the Parliament's adoption of a law on the Cabinet of Ministers and a law on introduction of amendments to the law on local self- government with a view to strengthen the vertical chain of power. Mikhail Chyhir declared that the government would advance a proposal to impart the status of national currency to the banknotes of the National Bank of Belarus.

Prime Minister Outlines Economic Policy

WS2809101594 Minsk RESPUBLIKA in Russian 20 Sep 94 pp 2,3

["Supplementary" report by Prime Minister Mikhail Chyhir delivered at the conference of heads of local authorities in Minsk on 16 September: "The Economic Situation in the Republic and the Role of Local Authorities in Overcoming the Crisis"]

[Text] Esteemed Conference Participants!

To begin, let me outline, at least in general, the current status of the Belarusian economy.

An economic crisis is evident. What testifies to this?

—A 26-percent decline in GDP and spiraling inflation, the apogee of which (53.4 percent) took place in August;

—extinction of investments, and antiquation and a high level of physical deterioration of technological equipment;

—a deficit of payments and an increase in our foreign debt, which will approach $2 billion by the end of this year;

—groundless issuing of money, which has crossed the security limits, and a great amount of unbacked money in the hands of the people.

Crisis-like economic phenomena are observed everywhere. This primarily relates to a decline in production and countless stoppages of industrial enterprises. Many of them have accumulated products for which there is no demand.

A depressing picture will emerge if one cites data on the main industrial branches. In the chemical and oil industries, for instance, production has decreased by 26 percent over the last eight months. Production of nitric and phosphate fertilizers has dropped by 54 percent, production of rails—by approximately 33 percent, and production of chemical fibers and threads—by 30 percent.

Output of all types of building materials has also decreased dramatically.

Our deliveries of products to foreign countries are also decreasing. For example, exports of trucks have amounted to 55 percent of last year's figure, of tractors—40 percent, metal-cutting machine-tools—31 percent, and television sets—84 percent.

We are losing our traditional markets not only in the near but also far abroad, and we are pretending that nothing is happening. Meanwhile, it will be incredibly difficult to return to them.

The state of affairs in the construction industry is shocking. In addition to a 30- or 50-percent drop in productivity, there is an unmanageable and unjustified increase in commercial prices for construction work, including remuneration for labor.

One may have the impression that the higher the estimated price of a facility, the better for all—the customer, the contractor, and the state. I must also note the increasing number of uncompleted construction works. Western experts are literally stunned by our "achievements" in this area.

We will have to pay for such "management" over construction works—in the form of unemployment of the contractor, the financial fiasco to the customer, and countless losses to the state, meaning the people. We all, no matter how strange it may seem, are witnesses or participants in this process.

I must describe as extremely dangerous the trend of increasing incommensurability of production and remuneration for labor. It is slipping out of state control. People are gradually becoming accustomed to receiving unearned money. The "wages-prices-wages" spiral of inflation is becoming untwisted at a higher and higher level.

The government is concerned over the state of affairs in the agriculture sector. The situation here is extremely difficult. Gross agricultural production has been declining over the last three years. If this process is not halted, we will soon be unable to meet even the minimum demand for milk, meat, and other foodstuffs.

This year, economic difficulties in the agricultural sector have deteriorated due to the unprecedented drought. Compared with last year, shortages of grain will amount to approximately 1.2 tonnes. Potato and sugar beet crops will be significantly lower; production of fodder will also decrease.

One must not deceive the economy. If enterprises and people are working at half-power, if ready products are stockpiled at warehouses and nobody buys them, where will funds for the state budget come from? As a result, we are currently unable to finance in full many needs of the state. As a consequence, there is a permanent increase in our foreign debt.

If decisive measures are not taken, if we continue to go downhill, the state will face the threat of losing its economic and political sovereignty, no matter how regrettable it may be.

One must admit that we are dealing with a deep structural economic crisis, which gradually accumulated in the mid-1980's. Due to this, one "cavalry attack" will not be enough to overcome it.

Having analyzed the reasons behind the deteriorating crisis, and after consultations with various parties, civil groups, foreign governments, and the international community, the newly formed Cabinet of Ministers has set a course on implementation of economic reforms. Actions by the Cabinet of Ministers aimed at leading the Belarusian economy out of the crisis are primarily concentrated on the following main directions:

—stimulation of production activities by improving our financial system and monetary-credit relations and reforming the pricing policy;

—stabilization of the Belarusian ruble's exchange rate by correcting trade and payment balances and improving foreign economic activities;

—overcoming the decline in production by ensuring progress and manageability over market reforms;

—reform of the systems of remuneration for labor, incomes, employment, and welfare.

All these directions will be outlined in a program for anticrisis measures, which is currently being drafted. I will outline the main aspects of the Cabinet of Ministers economic policy.

The Pricing Policy

In general, the goal of our pricing policy is, first to set real prices, mainly, for energy sources, foodstuffs, and housing, as well as to abandon excessive budget subsidies; second, to create conditions for energy-saving and drastically reduce consumption of energy sources through prices. We are forced to make it our goal to reduce imports of energy sources by no less than two times.

The process of correcting prices and bringing them closer to the market level was introduced as early as August. Regulated prices will be preserved only with regard to "real" monopolies, as well as for bread, milk, and dairy products.

We also intend to gradually reduce subsidies for municipal services and bring prices for gas and electricity closer to real ones with regard to both the agricultural sector and the people. The policy of compensation and social protection of the people against price hikes will primarily be targeted at the most vulnerable layers of society.

The Credit-Monetary Policy

In accordance with a statement made by the Belarusian president at the 21 July Supreme Soviet session, we will be conducting a strict policy of reducing the "influx" of unbacked money into the Belarusian economy, by means of issuing credits. However, taking into account that the correction of prices will take some time, we will allow for such issues only as a last resort during this period, to support the financial stability of producers, particularly in seasonal industries.

The Cabinet of Ministers and the National Bank will coordinate their actions aimed at transition from centralized distribution of credit resources to refinancing of commercial banks through credit auctions and other market mechanisms.

To restore order in the area of payments, we will actively use the procedure of bankruptcy and liquidation of insolvent companies as economic entities.

The National Bank has already stopped granting credits used to repay debts among enterprises. In the future, we will introduce the practice of registering debts in the form of bills of exchange. By the end of this year, the prolongation of credits for insolvent enterprises will be abolished.

To improve financial discipline, the Cabinet of Ministers and the National Bank are going to request that the Supreme Soviet introduce administrative accountability for managers of economic entities of all forms of property for violations of payment and cash payment procedures.

To avoid pumping unbacked money into the economy, it is necessary to minimize financing of the budget deficit by the National Bank. According to our estimates, the National Bank credits should not exceed 780 billion rubles in the second six months of this year, and 700-900 billion rubles in the first six months of the following year.

If we manage to achieve a better balance of payments, inflation will decrease to 10 percent per month by the end of this year, and to 5-7 percent by the middle of next year.

As you see, in the area of credits, money, and finances, we are taking harsh measures, with the understanding that unless order is restored in this sphere, all the talk about stabilization will remain idle talk.

While drafting the budget, we should concentrate on searching for real sources to form its income portion and volumes of taxes that would not choke producers. We primarily see supplementary sources in areas where irreplaceable natural resources and the country's national wealth are unreasonably exploited. It is essential to revise transit tariffs and real estate taxes.

All this will bring about a solid influx of funds to the budget. In addition, there is another way of improving the budget system. It is through the abolishment of unfounded tax reductions. It turns out that there have been many of them.

Reform of Domestic Trade and Currency-Financial Relations

All efforts in this area should be aimed at expanding exports. Without this we will not be able to resolve the problem of deliveries of energy sources and raw materials to the Republic, to adjust the balance of payments, and achieve stability of the Belarusian ruble.

In this regard, the Cabinet of Ministers intends:

—to minimize export licenses and quotas;

—to legalize all funds belonging to citizens (meaning to abandon the requirement to present a declaration of their source), which are deposited in bank accounts, including hard currency;

—to allow economic entities to open deposit accounts in Russian rubles;

—to improve the procedure for trading hard currency at the Interbank Currency Exchange and the rules of its functioning.

Reform of Ownership, Privatization, and the Development of the Private Sector

This part of our economic policy requires special attention. We have achieved insignificant progress here. Meanwhile, the state sector requires fundamental reform. The Cabinet of Ministers, as well as the president, stands for privatization, but not for a uncontrolled and reckless one.

In the near future, we will work out a more harmonious plan for privatization and impose control over its implementation. In the first stage, privatization will be conducted most actively in the area of services and trade.

Many state-run companies will be sold at auctions, and we will create conditions for their operation in market conditions. We will sign contracts with the managers of these companies, and we will introduce government representatives to the auditing councils.

On the basis of certain large state-owned enterprises, we will establish financial-industrial groups. This step will make it possible to conduct a more efficient technical and marketing policy in strategically important industries of the national economy.

Regarding the development of the private sector, the Cabinet of Ministers is aware that it should proceed with the maximum pace to compensate for an inevitable decrease in production in the state sector, and to engage the unemployed work force in production.

To achieve this goal, we are going to substantially reduce the list of licensed activities of private companies, amend appropriate legislative acts to simplify registration of private firms, and introduce tax exemptions and other stimuli for those who are ready to deal with production, and not with trade brokerage.

Hard currency credits will be a great help to private business, and appropriate agreements have practically been reached with the World Bank and the European Bank for Reconstruction and Development.

Structural reform will continue in the industry, and obstacles preventing mutual investments and the establishment of joint companies and enterprises with Russia and other CIS states will be removed.

The Agricultural Sector

It is essential to search for the most efficient forms of management in the agricultural sector. Their results will show us ways of further development of this crucial sector of our economy. In the near future, we are going to coordinate all possible measures. The strongest farms will receive the right to further existence.

Since I have already touched upon such an important industry as the agricultural sector, I cannot but outline its current situation.

Harvesting of grain has practically been completed in the Republic. The gross production of grain has been lower than expected by 20 percent. Over 1.6 million tonnes of grain has been stockpiled for state purposes. Although Mahilyow and Homel Oblasts farms have almost completed their grain procurement, Vitsebsk and Minsk Oblast farms are not rushing to fulfill their commitments to the state. The government believes that the planned volumes of deliveries and state resources should be ensured, no matter how difficult it may be.

We must dramatically alter our way of resolving the problem of supplying the Republic with grain. We should abandon large imports of food and forage grain.

This year, shortages of wheat are amounting to 550,000 tonnes. We have to grow such an amount in our country. We have good varieties of this grain. We also have good examples. The "Ostromechevo" collective farm in the Brest rayon has met its wheat procurement plan, having sold 3,400 tonnes of it.

Despite this year's lower yield of crops, there are possibilities to supply the people with potatoes, establish a seed stock, and allot a part of it to industrial processing and sale on the domestic market.

We have enough potatoes. Local authorities should stockpile and deliver them to the people. Certain leaders are not accustomed to this. They think that it is the government's business to stockpile and sell them to the people in Homel, Mahilyow, or Bobruysk. They themselves must resolve these problems, as well as financial ones, in close cooperation with local commercial banks.

To ensure regular supplies of meat and dairy products to the people during the winter, when their production usually decreases, the government has set goals for oblasts and the city of Minsk to create reserves of butter, powdered milk, cheese, meat, and canned meat in warehouses and in cold storehouses.

Although the goals concerning such reserves were accomplished in August, the process has slowed down in September. It is therefore necessary to step up purchases of milk, livestock, and poultry from citizens in the regions.

Over the last three years in animal husbandry, procurement of livestock and poultry has fallen by 38 percent, of milk—by 40 percent. The number of live stock has dropped by 1.7 million heads, compared with the maximum level (1984), including cows—by 560,000, and hogs—by more than 1 million heads. This decline means that the Republic has lost a potential equal to Minsk Oblast.

If such a pace of decline continues, we may turn from a republic exporting live stock into a republic importing it.

There is no place to retreat, as the saying goes. Despite all the obstacles, we must stop the reduction in our livestock, and do everything possible to rationally use fodder reserves and prevent a further decline in animal husbandry.

Our reform policy will become realistic if it is supported in the regions, and if it is implemented by the entire vertical system of authority.

There is only one reason why I am attaching so much importance to economic issues. A stable efficient economy is the key to a resolution of any problems, including the development of cities, rayon centers, and settlements, as well as being the source of financing welfare facilities and housing and maintaining municipal services and transport in appropriate condition.

Local authorities should actively implement the presidential edict on signing contracts with managers of state-run companies and organizations. This is not a campaign which is valid only for one occasion, but normal reform of the crucial process of establishing constructive and business-like relations between the state and the managers of the national capital.

Whether we oppose it or not, we will have to introduce a procedure to deal with bankruptcy. We will therefore have to work out measures for soothing social consequences, primarily at the regional level, and for inspiring businessmen who are creating new workplaces and training or hiring unemployed people.

From our economic program, I would like to single out the following simplest essence—saving and economy. The power consumption of our GNP is two or three times higher than in West European countries. Our potential energy savings, according to international experts, will soon amount to 30 percent of the total volume of used energy sources.

I will say frankly: No work is being conducted in this direction. Nothing has been done so far to estimate the consumption of water, heat, or gas.

Meanwhile, Lithuania has managed to install gas and water meters in every apartment within one year, in this way substantially saving energy sources. In Belarus, the cause has not yet passed from words to action. Of course, the blame primarily falls on the Energy Ministry. Local soviets could also have done more in this area.

Many problems remain unsolved due to a lack of financial resources in the regions.

Local soviets are not using the opportunity to improve their financial condition through reducing expenditures for state administration. In Belarus, there has been a case of establishing one soviet of people's deputies executive committee—the Lepel Soviet of People's Deputies Executive Committee—by abolishing city and rayon executive committees. The state of affairs in the executive committee has improved. However, this example has not been followed so far.

The idea of abolishing low-populated city districts, including oblast centers and Minsk, is noteworthy. There are problems of specific village soviets which also must be resolved.

I would not advise you to wait until the presidential administration or the government give you appropriate instructions.

As everyone knows, in accordance with the legislation on taxes, local soviets of people's deputies, or local council executive committees at the former's request, can exempt from taxes certain taxpayers, with regard to those taxes which are paid to local budgets.

In practice, however, local soviets of people's deputies and their executive committees, taking advantage of this right, have unfortunately been exempting taxpayers without any economic justification, in this way causing damage to the income portion of their budgets and affecting the national budget. Such cases have occurred in the Homel City Soviet of People's Deputies and the Mahilyow Oblast Executive Committee.

Perhaps it may seem banal, but it is essential to concentrate on the people and their needs at all levels. Unfortunately, certain soviet executive committees have recently stopped following this rule.

In their letters and complaints, which have recently been sent to the government and the president, people are often expressing their concern over the fact that they cannot buy at reasonable prices basic goods, which were not long ago reprocessed by our enterprises from industrial refuse. Tell me, who and when has changed the composition of the minimum consumer basket? Local authorities have put up with such a situation.

An analysis conducted by the government has revealed that measures envisioned by oblasts in their economic programs for this year have not led to an increase in the production of consumer goods. Over the last seven months, the overall production of consumer goods has decreased by 20 percent in the Republic.

The largest decline in production has occurred at enterprises in Minsk, Homel, and Hrodno Oblasts, at companies of the former State Industrial Committee and the Ministry of Building Materials, and the "Bellehprom" and "Belmestprom" corporations.

A particularly steep drop has been observed in the production of textiles, linen, hosiery, knitted wear, rubber and felt footwear, steel enamel ware, wall paper, synthetic detergents, washing powder, soap, and matches.

The trade sector is experiencing acute shortages of child products. For example, production of children's footwear has dropped by 2.4 million pairs over the last eight months. The "Obuv" joint stock company, which specializes in such production, has reduced its production by 37 percent over this period. Currently, it is practically not producing footwear for children of kindergarten age.

Many enterprises have dramatically reduced production of children's knitted wear.

Numerous products essential to the people have been withdrawn from production this year, without consent by the trade sector.

There have been many cases of enterprises not fulfilling their commitments of delivering goods, even if they were paid for in advance.

Of course, one can find many objective reasons justifying such a situation. This relates to shortages of raw materials, particularly cotton. This also relates to law profitability of certain types of production. Obviously, it is easier to withdraw something from production and not worry about anything. We must remember, however, that any official post, including the one of executive committee chairman, does not only hold a personal status, but also carries high responsibility before the people and the state.

Here is another extremely important issue. Perhaps you will agree with me that, under the current extremely difficult circumstances, the social significance of the trade sector has considerably increased. Unfortunately, this sector has not yet been radically reformed. The network of self-service stores, which we have been developing in our cities for years to facilitate consumers and reduce expenditures, have practically been destroyed.

Structural reform and the establishment of market relations in the trade sector are proceeding very slowly. Judge for yourself. As little as 10 percent of all retail trade facilities and only 4 percent of public catering facilities have been privatized to date, despite the fact that "small privatization" serves as a weighty source of incomes to local budgets.

Speaking about trade, I would like to note the following. To improve supplies of goods in the current financial and economic crisis, the Cabinet of Ministers has recommended that industrial enterprises deliver goods to the trade sector without payments in advance and that the trade sector pay the suppliers after receiving the goods.

However, what is actually going on? First, not all enterprises are carrying out the recommendations, and second, there are signs that the trade sector is not paying for products which it has already sold. Is this a problem for the Cabinet of Ministers? Or perhaps local soviets are not interested in providing goods to the people?

In conclusion, I cannot keep silent about executive committees' dodging a deep analysis of economic and financial activities of companies and organizations. Not long ago, the results of similar analyses were constantly and seriously discussed at executive committees' meetings, appropriate conclusions were drawn, and required decision were made. Currently, banks and financial institutions are not involved in this work.

In my opinion, it is now becoming clear to everyone that we will overcome the deep economic crisis only through cooperation between the central and local authorities, if nobody stands aloof, and if there are no passive onlookers.

Thank you for your attention.

New Banknotes To Be Issued After Recovery

LD2709142694 Moscow ITAR-TASS in English 1343 GMT 27 Sep 94

[By BELINFORM correspondent Yekaterina Vysotskaya—TASS]

[Text] Minsk September 27 TASS—Stanislaw Bahdankevich, chairman of the board of the National Bank of Byelorussia [Belarus], in a BELINFORM interview on Tuesday, confirmed information that newly-printed national currency banknotes of Byelorussia, the so-called new Byelorussian rouble, are kept in the vaults of the bank but will be put into circulation only after the republican economy recovers and puts inflation rate down to seven percent a month or even less.

Touching upon prospects for foreign currency trade in the republic, the chief banker said the republican trading network in the coming month will change over to making all payments only in national currency. The role of the latter will be played for the time being by Byelorussain settlement tickets which are to be recognised as the only legal tender in Byelorussia.

As far as the distribution of international credits is concerned, the European Bank for Reconstruction and Development has decided to assign 30 million U.S. dollars to bolster up medium-sized and small businesses. The funds will be transferred to Byelorussia's three most steady banks—Priorbank, Belarusbank, and Belbusinessbank—for them to manage them subsequently.

The World Bank, if its management and the republican government succeed in coming to terms, intends to assign 70 million U.S. dollars.

Bogdankevich confirmed that approximately 200 million U.S. dollars belonging to Byelorussian businessmen are now deposited in Western banks, and another 200 million dollars are kept on correspondent accounts, and a similar amount of money has been issued to them as credits.

Bankers Call For Abolishing Currency Revenue Law

WS2709154694 Minsk BELAPAN in English 1200 GMT 27 Sep 94

[Text] Leaders of the Belarusian Association of Commercial Banks of the (ACB) have sent President Alyaksandr Lukashenka their proposals for the stabilization of the national economy. These proposals include the abolishment of the mandatory requirement to declare hard currency and ruble revenues deposited at the national banks, and measures preventing state organizations from participation in forming the statutory reserves of commercial banks. The ACB also recommended the National Bank to make greater demands for new commercial banks, because they cannot be staffed with sufficiently skilled banking workers.

Statistics Agency Reports Increase in Exports

WS2809093694 Minsk BELAPAN in English 1600 GMT 27 Sep 94

[Text] According to the Committee on Statistics and Analysis, in the period since the beginning of the current year Belarus' export totalled $562.7 million, which is 19.6 percent more than in the same period last year. Among the principal items of Belarus' export are tractors, trucks, metal-cutting lathes, refrigerators, TV-sets, motorcycles, bicycles and watches.

Moldova

14th Army Pullout, Dniester Status Said Not Linked

AU2709204294 Chisinau BASAPRESS in English 2256 GMT 23 Sep 94

[Text] Chisinau BASAPRESS, 23/9/1994—Interpretations that the synchronization of 14th Army's withdrawal with granting of a special juridical status for Dniester was imposed on Moldova is not true, Nicolae Osmochescu, Moldovan vice minister of foreign affairs told the weekly SAPTAMANA (THE WEEK). "Even though assuming that the synchronization will not be fulfilled, no matter who is to blame, the Army will be withdrawn." The main problems which determine the three-year period for withdrawal are organizational and technical-military. Two thousand five hundred trains will be needed for the 14th Army's withdrawal. The situation of the Moldovan and Ukrainian railways made the Moldovan delegation accept this period. Osmochescu specified that the already drafted agreements stipulate that "35 percent of properties will go to Moldova (including the Dniester local administration)." Part of the 14th Army properties will be sold as their shipment to long distances makes their value negative. "If we had had these figures in 1992, we would have accepted these conditions and in 1995 the Army would have been withdrawn. Personally, I do not believe that this period of withdrawal is a concession. It is a logical and reasonable compromise," Osmochescu said.

Romanian Official Involved in Border Post Disturbance

MM2709153594 Moscow SELSKAYA ZHIZN in Russian 24 Sep 94 p 5

[Report by Valeriy Okunev: "Merrymaking and Abuse"]

[Text] The newspaper KISHINEVSKIYE NOVOSTI [Chisinau News] has carried a report by the Moldovan [Moldavian] National Security Ministry's press service.

It notes that Romanian Senator Adrian Peunescu, accompanied by a large group of citizens, organized rowdy revelry 30 August at the Leushanskiy Border Post. When the border guards at the post tried to restrain the crowd of noisy revellers and tell the senator and his comrades that the Republic of Moldova was in mourning owing to a natural disaster, Peunescu hurled insults and threatening language at soldiers and officers.

Adrian Peunescu is well known as one of the most radical Romanian senators and a man who unconditionally advocates Moldova's unification with Romania. He attended the Moldovan parliamentary elections as an observer and was the only member of the group of international observers to speak of alleged violations and abuses during the elections. At the same time during that visit to Moldova Peunescu also clashed with border guards, who confiscated weapons from one of his bodyguards.

PNC Chairman Protests Suspension of Activity

AU2709204194 Chisinau BASAPRESS in English 2050 GMT 26 Sep 94—FOR OFFICIAL USE ONLY

[Text] Chisinau, BASAPRESS, 26/9/1994—Vladimir Nicu, National Christian Party (PNC) chairman, took a position on the September 21 decision by the Justice Ministry to suspend the PNC's activity for three months. Nicu told BASAPRESS that "such a decision can be made only by the Constitutional Court and not by a minister promoted by the ruling party which wants to settle accounts with other parties." The Justice Minister argues that "the PNC does not act in accordance with the current law; it did not forward the minutes of its meetings, copies of its decision or declarations and lists of its members." Nicu said that all these belong to the PNC members and only the PNC has them. "No one has the right to trespass on our property, tap our phones, read our documents or letters we receive," Nicu said. Asked about the PNC future plans, he said "in the next election our policy will be the same: We are Romanians and we want to live together with all Romanians." In the February 27 elections, the PNC accumulated 0.33 percent of votes.

Kazakhstan

Nazarbayev Views Arab Ties 'With Great Optimism'

LD2709200294 Almaty KAZTAG in Russian 1200 GMT 27 Sep 94

[Text] [no dateline as received]—Most of the Saudi newspapers published articles on Kazakhstan prior to a visit by Nursultan Nazarbayev. Special emphasis is given to Nazarbayev's remark that we assess prospects for Kazakhstan-Saudi cooperation "with great optimism."

In an interview with one of the newspapers, the Kazakh president expressed hope that his meetings with King Fahd and senior officials will raise relations between the two countries to a much higher level corresponding to their political and economic potential. Kazakhstan and Saudi Arabia act as stabilizing centers in Central Asia and the Middle East. Partnership and cooperation relations between them will contribute to strengthening security in the region and in the world.

In an interview to the newspaper AL-SHARQ AL-AWSAT, Nazarbayev said that he is paying great attention to developing Kazakhstan-Saudi cooperation. He admitted that Almaty "has been slow" in establishing relations with Riyadh. "I believe that the establishment of diplomatic and economic relations with Saudi Arabia will lay the foundation for its interaction with the larger Arab world," said the honored guest.

Touching upon the subject of the Arab-Israeli peace process, Nazarbayev, in both of his interviews, confirmed that Kazakhstan is interested in the establishment of stable peace in the Middle East. This will open prospects for implementing the huge economic potential of the region's countries. He assured that Kazakhstan "will accept any kind of settlement of the Middle East problem that is reached by the sides with deep respect."

Describing the situation in Kazakhstan as peaceful and stable, he urged Arab countries to invest in oil extracting and refining, developing its agriculture, tourism, service, and banking spheres. Kazakhstan-Arab cooperation in the area of investments [word indistinct] "is very promising."

Joint Communique Issued

LD2709134894 Moscow ITAR-TASS World Service in Russian 1158 GMT 27 Sep 94

[By ITAR-TASS correspondent Viktor Lebedev]

[Excerpts] Kuwait, 27 Sep—Kazakhstan and Saudi Arabia today declared their support for the Near East process; regarding it as "the only way of granting the Palestinian people the opportunity of implementing all of their legitimate national rights." In a joint communique adopted in Jeddah today as a result of meetings between Kazakh President Nursultan Nazarbayev, who is here on the first official visit, and Saudi King Fahd and other officials, the sides noted "the importance of ensuring that there is security and stability in the Central Asian region and the positive influence of this factor for speeding up the economic and social development of the countries of the region." Having stated "the need to unconditionally implement" the UN Security Council resolutions on Bosnia-Herzegovina, they called upon the world community to step up efforts aimed at putting an end to tragic events in the country. [passage omitted]

The sides agreed to take the necessary steps towards opening embassies in their capitals as soon as possible and to look into the possibility of establishing direct flights between Kazakhstan and Saudi Arabia.

Paper Criticizes Defense Expenditure

LD2809095894 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 13 Sep 94 p 2

[Report by Vasiliy Vasilenko, adviser on ecological issues to the chairman of the Nevada-Semipalatinsk antinuclear movement]

[Excerpt] In the recently adopted law on the adjusted national budget for 1994 it is easy to trace not only the fundamental differences between the real funding priorities and those declared by the Kazakh Cabinet of Ministers, but also the price we taxpayers will pay for the politicians' extravagance.

A simple comparison between last year's budget and the one before, looking at the most urgently-needed social items and the most capital-consuming ones, will prove this. In March 1993 the plan was to allocate nine percent of the national income for defense, but in October that year the figure grew to 12 percent. In this year's adjusted budget the figure reaches 12.5 percent, or 8,987 million tenge. Draw a comparison: The funding for the national economy is set at 8,899 million tenge, and that of social and cultural programs at just over 7 billion tenge.

Defense expenditure cannot even be compared with funding for science at national level, which has been earmarked at just over one percent of the budget, or 1,166 million tenge. There is no need to prove that science, education, and health-care, which used to be wholly geared to the former Soviet Union's potential, have suffered the most from the loss of established ties. By the inexorable logic of disintegration, much promising scientific work that was of great relevance to our sovereignty has ended up in the heir of Soviet science, Russia. The National Academy of Sciences is finding it hard to recover from the debilitating shock of the transition to market economics.

That is why education, health-care, and ecology, as the most science-intensive and socially important structures, are suffocating from the increasing lack of new knowledge (without which no reforms are possible), and from the even more harmful outbursts of speculation and demagogy, which mask the real problems of a transitional society. Even taken together, with science, the whole social sector of the budget does not exceed our homeland's expenditure on the military. Militarization remains excessive.

But Kazakhstan was supposed to have gained its sovereignty in order to determine citizens' preferences and social priorities according to civilized standards and principles. Judging by the structure of the budget, reform in the republic is proceeding slowly and at too high a price. The budget's structure also indicates that the old faults of the institutions of power and of management of the country's development, so destructive to genuine sovereignty, are becoming increasingly apparent.

This is shown by a new item in the budget—spending on the implementation of laws. Let us note the largest expenses: 4,142,600,000 tenge on social security for victims of the nuclear tests at Semipalatinsk nuclear test-site and 2,369,091,000 for victims of the ecological disaster in the Aral Sea region.

Apart from the fact that both items of expenditure are much less than the military budget, they are closely connected with the ecological costs incurred by the military-industrial complex and its facilities in Kazakhstan, and by industrial sectors, which use natural resources to extract raw materials. Yet the budget earmarks only 19,161,000 tenge (the nature protection fund) for solving national ecological problems. This will not even cover a tenth of the need, because virtually all sectors that use natural resources (agriculture, the water industry, forestry for timber, fishing, industry, transport, construction, extracting and processing enterprises, including the nuclear industry) are in need of ecologically-oriented restructuring and reorganization.

This has to be done under the conditions of an emerging market economy. What, then, is going to be done about eliminating the grave social consequences of a militarized society and the arbitrary approach that politics and economic have taken to ecology? Furthermore, the large area-based production complexes have also become ecological risk and damage zones.

Given the politicians' attitude, reflected in the budget, that national ecological problems should be given only whatever is left over, no ecological program has been approved and the principal areas for a state policy on ecology have not been looked at.

Kazakhstan thus has no choice. The military attire of an over-militarized economy has to be changed for the workman's overalls of ecology. A lasting system of domestic ecological security has to be created to guarantee the constitutional right of taxpayers and their families to a life-enhancing, healthy environment. [passage omitted]

Money Shortage Forces Embassy Staffing Cuts

LD2709134294 Moscow ITAR-TASS World Service in Russian 1019 GMT 27 Sep 94

[By ITAR-TASS correspondent Vladimir Akimov]

[Text] Almaty, 27 Sep—An acute shortage of hard currency has forced the Cabinet of Ministers to take a number of measures to regulate the embassies' apparatus in countries of the near and far abroad as well as the expenditure on the upkeep of diplomats.

Under a governmental resolution, Kazakhstan will have 18 embassies abroad. It is envisioned that $11.081 billion will be allocated from the state budget annually for their upkeep. Specialists believe that this amount should be enough to guarantee normal work and life for 359 people.

Bolat Nurzhanov, chief of the cadre directorate of the Ministry of Foreign Affairs, said in an interview published in an issue of PANORAMA, the newspaper for local business circles, that the head of the foreign policy department himself would determine the staff numbers for a given embassy. They may number up to 20 or more in countries which are of particular importance for the republic. The embassies in six CIS states would have up to only 10 staff each.

Kyrgyzstan

Akayev Urges Support of Constitutional Changes

LD2709133994 Moscow ITAR-TASS World Service in Russian 0955 GMT 27 Sep 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek, 27 Sep—The president of Kirghizia [Kyrgyzstan], Askar Akayev, is certain that with the help of the referendum, significant amendments can be made to the country's constitution. This was a leitmotif in his address to the people on the nationwide poll planned for 22 October. The document has been published today in the republic's press.

"Two amendments to the Constitution are being put to the referendum," the appeal says. "One of them concerns constitutional consolidation of the people's right to make changes and additions to the Constitution. In this way, it is aimed at strengthening the democratic foundations of the republic's constitutional system. The second is aimed at improving the activity of the legislative authority, ensuring that fuller account is taken of nationwide and local interests in the supreme representative body of the republic, through the creation of a two-chamber Zhogorku Kenesh (parliament). In this way, the referendum is intended to eliminate very significant defects in the constitution."

The basic law of Kirghizia was adopted on 5 May 1993. And although it was discussed quite widely in the press and approximately 1,000 amendments and additions were made to it, the basic law provoked attacks from both left-wing and right-wing forces in the country. However, Askar Akayev said, an international legal expert analysis assessed highly the democratic nature of the Kirghiz constitution.

And now, the country's president thinks, it has become necessary to make certain changes to the Constitution. "Of course," Akayev noted in his address to the people, "not all constitutional amendments, not all changes and additions to the Constitution can be made via a referendum. Therefore, only the major provisions in the Constitution, which need to be worked out in more detail in the various chapters and articles of the constitution through thorough discussion in parliament, have been put to the referendum on 22 October 1994.

Akayev Edict Designed To Halt Departure of Russians

MM2809092794 Moscow PRAVDA in Russian 24 Sep 94 p 2

[Report by Yuriy Razgulyayev under "Our Correspondents Report" rubric: "Has It Been Left Too Late?"]

[Text] Bishkek—Many former Kyrgyzstanis who are now having great difficulty carving out a life for themselves in Russia could have been stopped by President A. Akayev's edict "On Measures To Regulate the Migratory Process in the Kyrgyz Republic." This edict and especially the subsequent government decree effectively acknowledge that, under the influence of the euphoria of full independence, the fledgling state has fouled quite badly, especially in the sphere of language.

As we know, last year alone over 100,000 people left the republic. Those leaving were primarily specialists—engineers, scientists, physicians, and highly skilled workers. At first this did not cause particular concern. On the contrary, many people were even glad, thinking that apartments and dachas would be left for them. But after a certain level the departure of Russian-speaking people began to affect production, especially machine building and power engineering. The standard of scientific work, education, and medical service declined.

To be fair it should be said that President Akayev was against the forced introduction of a state language all along. He was well aware of the destructive consequences that a sharp restriction of the sphere of communication and the severing of ties would involve. But on each occasion the extremist section of parliament solidly blocked any attempts to ease the language situation.

Now, in accordance with the edict, the deadline for the definitive introduction of the language for use in the business of state has been postponed until 2005. Until this time Russian will be a language for technical, design, and financial documentation, along with the state language. The Education Ministry has been instructed to ensure that all nationalities are fairly represented at higher educational establishments. Another range of measures to weaken the language pressure on the nonindigenous section of the population is also planned. Moreover, on this occasion even the Kirgiz themselves greeted them with approval. The consequences of the departure of what has proved to be a very necessary section of the population were too adverse.

But are these very correct measures too late? Social processes, as we know, have very great inertia. That is why, incidentally, the peak of the departure of "nonindigenous" inhabitants occurred last year, when public opinion was increasingly vociferously talking of rectifying the language situation. But unfortunately the process had already gotten under way.

Akayev To Participate in Live Radio Interview

LD2709161594 Bishkek Kyrgyz Radio First Program Network in Russian 1000 GMT 27 Sep 94

[Text] According to the presidential press service, the latest decrees issued by the republic's president on a nationwide referendum on amendments to the Constitution, on the structure of the Central Election Commission on the referendum and elections in the Kyrgyz Republic, on elections of deputies to the primary level local councils of the Kyrgyz Republic, as well as events that have arisen out of the country's domestic political affairs since the Supreme Council ended its work, call for more specific comments and explanations to be given to our fellow citizens.

In view of this, we inform our listeners that President Askar Akayev will go on the air at 2025 on 29 September 1994 to answer questions put by television viewers and radio listeners.

President-Parliament Power Struggle Viewed

MM2709112194 Moscow IZVESTIYA in Russian 23 Sep 94 p 2

[Report by Yadviga Yuferova: "Kirghizia [Kyrgyzstan]: Parliament Lapsed Into Lethargy, Reformers Into Optimism"]

[Text] Bishkek—Soviet parliaments leave the stage in post-Soviet republics in a variety of ways. Accompanying the attack on the White House, as in Russia; upon the president's dissolution edict, as in Kazakhstan; or upon the passing of a new constitution, as civilized norms demand. The fate of the Supreme Council of Kirghizia turned out to be the most original of all. It has not been dissolved, nor has it self-dissolved, but has, in the words of its leader, lapsed into lethargic slumber.

At the beginning of September almost half the deputies refused to take part in a parliamentary session scheduled for 27 September in connection with the political intrigues which last year disturbed the Supreme Council and, at the same time, the whole country. There immediately followed a statement on the government's resignation. The same day saw President Askar Akayev's edict "On Securing Political Stability in the Kyrgyz Republic and on Urgent Measures of a Socioeconomic Nature."

The people did not notice the crisis of power. Having accepted the government's resignation, the president immediately instructed it to go on working until a new parliament has formed a new cabinet. The deputies are there, the parliament is not.

So what has taken place in Kirghizia?

A deal between the three leaders—of state, parliament, and government? The arrival of dictatorship on the islet of democracy which Kirghizia traditionally appeared to constitute in Central Asia? Or the soviet parliament's natural, bloodless departure from the stage?

Ultraradicals insist on the first version. The press, which in reality plays the role of opposition in Bishkek, mentions the second one. But the majority of analysts incline to the third. Admittedly, though, with reservation. Akayev is reinforcing the president's power, showing firmness where previously he could easily have made do with compromise.

All three state leaders commented on the present political situation for IZVESTIYA.

President Akayev: "The degeneration of the once-strong, hardworking parliament is linked to the fact that reformers departed for the government (in that time there were two changes of cabinet of ministers), and the vacated places were taken by all the former nomenklatura, secretaries of the central committee and oblast party committees. Abandoning legislative work, parliament was transformed into a plenum, always ready to hear a report and reach a conclusion.

Head of Government Abbas Dzhumagulov: "When the Supreme Council was concerning itself with legislation rather than intrigues, it could, perhaps, have adopted the most progressive laws in the CIS: on land reform, privatization, or foreign investment," Speaker Medetkan Sherimkulov believes. [paragraph as published]

The intraparliamentary crisis has been caused by a series of errors and the fact that many people in parliament occupied two chairs in that they held posts in the executive power and, consequently, defended in turns the interests of either one or the other chair, whichever was more comfortable to sit on. In Sherimkulov's vivid expression, "parliament has ended up in a stalemate situation," "it has lapsed into a lethargic slumber for three months until the new election."

It is hardly likely that the present team of reformers will wait quietly until the parliament gets enough sleep.

While the communists were in disarray, about 20,000 individual farms were created in Kirghizia. But the nomenklatura came to its senses and the brakes were applied to the reform. According to Askar Akayev, it is urgently necessary to take a step forward—create a legal market for land use, distribute land, and distribute credits.

As a result of the January referendum, when 98 percent of the voters confirmed their confidence in the president, Akayev decided to turn to the people one more time so that, taking advantage of the lethargy of the legislative authority, a number of substantive rights taken away by parliament could be restored to the president.

The referendum has been scheduled for 22 October, and the president intends to put forward a number of questions.

First of all, the question of a bicameral parliament, based on the Russian model.

It cannot be ignored that regional sentiments—or, more precisely, clan, tribal, and compatriot bonds—are strong in Kirghizia. Once the whole regional elite, which today is to some extent out of the action, gets its lawful share of power, that will help stabilize the situation. And most likely help the referendum take place.

Next, the question of a reform of the judicial power. It is no secret that for the moment highly qualified lawyers in the republic can be counted on the fingers of one hand. In the circumstances, how can enough of them be provided for the supreme, constitutional, and arbitration courts? That is why it is better to have a single supreme court with a constitutional chamber, and concede the president the right to present candidates for justices for parliamentary approval.

And the final point. Akayev makes no secret of the fact that parliament has found a way to take away the majority of the presidential powers, which have to be restored, if not to himself, at least to a future president of Kirghizia.

The referendum will show whether the people will support Akayev.

Instability, Drugs From Tajikistan Viewed

LD2809094694 Bishkek Kyrgyz Radio First Program in Russian 1000 GMT 27 Sep 94

[Text] There is an increasing influx of minor and big-time drug-dealing businessmen into Osh Region from neighboring Gorno-Badakhshan, as security and the economic situation deteriorates in this region of Tajikistan that is adjacent to Afghanistan. Instability, unemployment, and hunger make many of them smuggle narcotics into the Ferghana Valley, often in exchange for food, a conference of the Osh Regional Department of Internal Affairs and the Regional Department for National Security was told. Representatives from Gorno-Badakhshan Autonomous Region were invited to the conference. It was noted that increasing numbers of refugees were fleeing along the route from Khorog to Osh from the trouble zone along the route from Khorog to Osh, consignments of weapons were arriving with them, and this supply of arms must be combated uncompromisingly.

At the conference, an operational headquarters was set up and measures set out to monitor the work being done by ordinary and traffic police serving on the Pamir highway and other roads.

It was stated once again that government-level negotiations must be held with Central Asian and European countries so they become involved in joint operations against the mafia—since drugs enter their territories as well and thus, the problem is a common one.

Tajik Refugee Situation Forces Troops on Alert

LD2809095794 Bishkek VECHERNIY BISHKEK in Russian 22 Sep 94 p 1

[Text] A strictly confidential source has informed this editorial office that the situation has deteriorated in Osh Region, which borders Tajikistan. Groups of armed guerrillas have been seen more than once near the village of Sary-Tash, several dozen kilometers from the Dzhirgatalskiy district of the neighboring republic. The editorial office is not aware whether they have engaged in any active operations.

Meanwhile, we recall that the main checkpoint which controls the traffic of freight trucks along the Khorog-Osh route, which is vital for the Pamir mountain region, is located in Sary-Tash.

It is no secret that it is at this checkpoint that our security forces have seized the lion's share of weapons and drugs from smugglers of all kinds.

If we think back to recent history, it was Dzhirgatalskiy district in 1992 that was nearly the detonator of an explosion which could have hit Kyrgyzstan. After the bout of inter-ethnic carnage, refugees from there poured into the Ferghana Valley. Guerrillas crossed into our republic together with the refugees.

In this critical situation the police were unable to control the situation on their own. The army and the State National Security Committee were called on to help. In the shortest possible time fortifications and secret guardposts were set up in the village of Karamyk, which borders on Dzhirgatalskiy district. They managed to seal all the mountain paths tightly. Dozens of bandits were detained and handed over to the Tajik security forces as a result of the operation. Army officers I. Isakov, E. Topoyev, and A. Larchenko, who led the operations, were rewarded with weapons engraved with their names.

As a cold, lean winter approaches the exodus of refugees from Dzhirgatal will increase from day to day rather than decrease. It is too early to say the situation is repeating itself. However, according to information we have received, military units of the Osh garrison and the Gulchinskiy battalion have been put on heightened combat alert.

Tajikistan

Rakhmonov To Speak at United Nations 30 Sep

LD2809101194 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 27 Sep 94

[Text] Today an official government delegation led by Supreme Council Chairman Emomali Rakhmonov left for New York to participate in the 49th session of the United Nations General Assembly. Our head of state, Emomali Rakhmonov, is expected to make a speech at the session on 30 September.

Before leaving Dushanbe airport, he told correspondents it was necessary to draw the world's attention to the difficulties currently being experienced by the new Tajik state. He expressed his satisfaction that the countries of the world support Tajikistan in a comprehensive manner. The head of state will make his second speech from the high rostrum of the United Nations.

Emomali Rakhmonov's New York schedule includes a meeting with UN Secretary General Butros Butros-Ghali and his deputy on problems of delivering humanitarian economic aid, and will talk with leaders from many of the countries participating in the session.

The official Tajik government delegation includes Foreign Minister Rashid Olimov, Karim Yuldoshev, the state adviser to the head of state; Lakim Kayumov, Tajikistan's permanent representative at the UN, and Ramazon Mirzoyev, head of the administrative affairs office of the Council of Ministers.

Abdulmadjid Samadov, chairman of the Council of Ministers; deputy chairmen of the Supreme Council Abdulmadjid Dostiyev, Kozidavlat Kayumdodov, and Khojaahmad Khidiraliyev; chairmen of Supreme Council committees, deputy chairmen of the Council of Ministers, and other officials saw the government delegation off at the airport.

Tajiks Should Not 'Go Overboard' Over Agreement

MM2709130094 Moscow ROSSIYSKAYA GAZETA in Russian 24 Sep 94 p 6

[Own Information report: "A Step Forward, But Not a Breakthrough"]

[Text] Last week delegations from the Tajik government and opposition signed an agreement in the Iranian capital on a temporary cease-fire in the republic, an ITAR-TASS correspondent reports from Tehran.

What does this mean? In the first place, large-scale combat actions will cease, since the bulk of the opposition detachments are under Islamic leadership, and tension will diminish somewhat on the Tajik-Afghhan border. There will be no more "sanctioned" acts of terrorism and sabotage, prisoners of war and political prisoners will return home, and the people of Tajikistan will have a breather from the armed conflict.

But we should not go overboard: By no means all the gunmen consider themselves obliged to follow Islamic Revival Movement leader Abdullo Nuri, and local tribal traditions are too well established in Tajikistan for us to be able to expect a lasting peace. Any such idea is also dispelled by statements by the Islamic leaders. They are openly talking about the opposition's refusing to participate in the upcoming elections in the republic or in the referendum on the draft new constitution.

Russia and Iran are doing all they can to overcome the crisis. The Tajik sides have also displayed some willingness to compromise, particularly as for the first time since the start of the war people who were actually authorized to make decisions had sat down at the negotiating table.

The first step has been taken in Tehran, as Russian Federation Deputy Foreign Minister Albert Chernyshev said. There has been no actual breakthrough as yet—the opposing sides' goals are too different. It is to be hoped that common sense will prevail at the upcoming inter-Tajik talks in Islamabad, and both the government and the opposition will see that war is senseless and agree on the division of spheres of influence in a single state. Dushanbe could be prompted to do this, in particular, by Russia, by economic problems, and by obvious—despite official assurances—military failures, and the opposition could be prompted by Iran and by the futility of fighting a regime backed by a great power.

Death of Imam 'Must Not' Complicate Settlement

LD2709131594 Moscow INTERFAX in English 1203 GMT 27 Sep 94

[Text] The death of former imam-khatib of the Kurgan-Tyube Mosque Eshoni Sayid Ashraf must not complicate the implementation of the terms of the agreement on inter-Tajik settlement, First Vice Chairman of the Tajik parliament Abdulmadjid Dostiyev told Interfax in an exclusive interview.

On September 21, Ashraf was released from a Dushanbe prison, where he had been kept since 1993 for anti-government activity. On the same day he returned to his home in Kurgan-Tyube, where he was later found dead. The Tajik opposition alleges that Ashraf was killed.

Dostiyev stated that according to his sources Ashraf died of a heart attack.

Ashraf was amnestied by the authorities in accordance with the agreement signed in Tehran on September 17, which provided for an exchange of prisoners.

"He died at a very unfortunate moment, but nothing can be done about it," said Dostiyev. "I hope the opposition will realize that Ashraf's fate was in the hands of providence," he said.

Deputy Speaker on Cease-Fire, Other Issues

LD2709215094 Moscow INTERFAX in English 1539 GMT 27 Sep 94

[From the "Presidential Bulletin" feature 187 (677): Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Parliament Speaker Emomali Rakhmonov has flown out from Dushanbe for a day's stopover in Moscow before leaving for New York on Wednesday to attend the 49th session of the U.N. General Assembly there. Speaking at Dushanbe airport, Rakhmonov said he would announce a range of new initiatives intended to bring peace to Tajikistan and stiffen regional security.

The interim cease-fire agreement the government and opposition leaders reached during talks in Tehran in the middle of this month will come into force as advanced parties of the U.N. observer force arrive in the country later this week, Deputy Parliament Speaker Abdulmadjid Dostiyev told Interfax. He explained continued tension on the Afghan border by the fact that the agreement was not formally in place yet.

Dostiyev spoke of intensive preparations being made for enforcing government commitments under the peace deal. The presidium of the Supreme Soviet has given appropriate instructions to various ministries and departments including the law enforcement bodies.

Asked if the sudden death of leading opposition member and former Islamic leader of Kurgan-Tyube Eshoni Saidashraf might put the Tehran accords at risk, Dostiyev spoke of having evidence that Saidashraf had died from a heart attack. (But the opposition denies this saying he was killed - IF).

Dostiyev indicated that the man was on the opposition-presented list of so called political prisoners and freed under government-declared amnesty.

"Inopportune as his demise may be, this appears to be his fate and there is nothing to be done about it", said the Tajik official. He hopes that opposition findings will establish that no-one but providence is to be blamed for what happened. "This misfortune is not likely to undermine or derail the negotiations", Dostiyev believes.

The official pledged Dushanbe's commitment to release all political prisoners named by the opposition until October 17. "As one of the signatories to the cease-fire agreement, I will try to do my best to get this opposition demand fulfilled on all counts", he said.

Dostiyev said although the opposition list contained the names of about 80 prisoners, it was established that some of them were not in the country.

The deputy speaker also hopes that the continuing government crackdown on a 100-member rebel group outside Dushanbe will not complicate the dialogue with opposition leaders. "For the past nine months, this armed group has been engaged in lootings, rape and killings in the region. Although its members also claim to belong to opposition ranks, this will not lessen our determination to bring an end to their violence", Dostiyev said.

Abdullojonov Supporters Claim Electoral Violations

LD2709202394 Moscow ITAR-TASS in English 1538 GMT 27 Sep 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 27 Sep (TASS)—Supporters of Abdumalik Abdullojonov, 45, Tajik ambassador to the Russian Federation and presidential candidate, have protested against violation of the Tajik law on presidential elections. The elections are scheduled for November 6, 1994.

A statement of the support group from the Leninabad region, the Tajik north, was circulated today to call attention to the campaign in support of Tajik state head Emomali Rakhmonov launched in violation of the election law over a month before voting with the use of state mass media bodies, television and the radio.

The statement claims that official representatives of the state power bodies press on the local authorities during their trips to Tajik regions and urge the local population to vote for Rakhmonov. In the words of the statement authors, such facts have been reported from the Pendzhikent and Asht regions, Khudzhand, the administrative center of the Leninabad region, the city of Dushanbe and other republican regions.

"We think that an equal and honest struggle for votes is impossible under these conditions. It is inadmissible. We are calling on compatriots to vote for the candidate they would like to see as a lawful and worthy state head despite any illegal actions and violations of the law on Tajik presidential elections," says the document.

Communists Plan No Candidates in Election

MM2709153794 Moscow PRAVDA in Russian 24 Sep 94 p 2

[Report by Alisher Niyazov under "Our Correspondents Report" rubric: "CPT Comes Out Against Election Boycott"]

[Text] Dushanbe—The largest party in Tajikistan—the Communist Party—is reaffirming its position regarding the referendum on a new constitution and presidential election. A few days ago the CPT [Communist Party of Tajikistan] Central Committee Presidium sent a letter to party organizations and rank-and-file members of the republic party. In it the Tajik Communists' leaders stated that, bearing in mind past experience, the office of president in Tajikistan has within a short space of time shown the inability of this form of power to ensure the strengthening of the constitutional system and the achievement of civil peace. Moreover, the letter claims, "the power struggle that has broken out has aggravated the split in society, which was ultimately one of the main reasons for the civil war."

The CPT leadership expressed concern that the preparations for and the holding of the presidential election campaign at a time when the situation is hotting up could upset the fragile sociopolitical equilibrium in Tajikistan. In this context the Communists have once again confirmed their intention not to put forward a Communist Party candidate for the post of republic president. "An election victory by a candidate from the Communist Party," the letter says, "would exacerbate the confrontation between the power structures and the internal and external opposition, and would enable certain forces in CIS countries, including Russia, to whip up anti-Tajik sentiments at state and government level, which could entail an intensification of the trend that has developed toward a territorial and economic blockade of the republic."

At the same time the CPT leadership, addressing party members, considers it inadvisable to boycott the referendum and presidential election, calling on them to fulfill their civic duty honestly and vote for the candidate whose program objectively meets the working people's needs and aspirations.

Official Receives U.S. Election Observers

LD2709131894 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 27 Sep 94

[Text] Sulton Mizoshoyev, chief of staff of the head of state and chairman of the Supreme Council of the Republic of Tajikistan, met with Mr. Bret Hanson, U.S. deputy ambassador extraordinary and plenipotentiary to Tajikistan, and with Mrs. Linda Edward and Mr. Walter Smith, consultants of the International Foundations for Electoral System.

The experts in legislative electoral systems and the holding of elections are in our republic in connection with the forthcoming referendum on the adoption of the constitution of Tajikistan and the presidential elections.

Mirzoshoyev thanked the guests for their arrival in Tajikistan and for their interest in the forthcoming political events. He also spoke about those changes which are taking place in the social and political life of the country. The guests were told that the referendum and elections were postponed to allow more compatriots to take part in them.

The chief of staff of the head of state voiced confidence that the arrival of international observers will promote the democratic holding of the political actions.

In the course of the meeting, the guests spoke about their impressions on elections which were held in Kazakhstan and Kyrgyzstan, where they were as international observers.

Operation Against Opposition Fighters Continues

LD2709125294 Moscow INTERFAX in English 1203 GMT 27 Sep 94

[Text] The operation against the opposition fighters which started on September 16 continues in the suburbs of Dushanbe.

Interfax was told by Deputy Tajik Interior Minister, Abdusattor Radjabov, that during the operation three policemen were killed and one wounded. One opposition fighter was killed and six arrested.

Radjabov said that a grouping operating near Dushanbe and headed by a certain Duma consists principally of inhabitants of the village of Tappai-Samarkandi (approximately 15 km to the east of Dushanbe) who were trained in Afghanistan.

"We intend to defeat the gang," said Radjabov.

Political Prisoners To Be Released by 17 Oct

LD2709124494 Moscow INTERFAX in English 1203 GMT 27 Sep 94

[Text] All so-called political prisoners will be released in Tajikistan by October 17 in keeping with the lists submitted by the opposition, the deputy chairman of parliament Abdulmadjid Dostiyev told Interfax in an exclusive interview on Tuesday.

As a signatory to the cease-fire agreement in Tehran on September 17 he promised to do his utmost to carry out the conditions put forward by the opposite side.

Dostiyev said the opposition had submitted two lists of political prisoners: 29 names on one and 52 on the other. He added that when the lists were checked it was discovered that some of the people named were not in Tajikistan.

Work is now under way to find out the whereabouts of all listed persons, and those who are in prison or under investigation will be released, Dostiyev promised.

Exhibition of Seized Hardware Opens in Dushanbe

LD2709215694 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 27 Sep 94

[Text] An extraordinary exhibition opened today in Dushanbe.

The latest types of the automatic weapons, surface rockets [as heard], rifles, and mines, as well as a large quantity of ammunition and grenades were exhibited. All these weapons were confiscated from the armed formations of the fighters, by the servicemen of the special brigade of the Ministry of Internal Affairs of the republic, in the course of the military operations in the Tavildara district. Abdujalil Samadov, the chairman of the Council of Ministers, Abdulmadjid Dostiyev, the first deputy chairman of the Supreme Soviet, Khujiahmad Khidiraliyev, the deputy chairman of the Supreme Soviet, Mahmadsaid Ubaydulloyev, the deputy chairman of the Council of Ministers of the republic, Liviu Bota, the head of the UN mission in Tajikistan, and other officials have visited this exhibition.

Major-General Yokubjon Salimov, the minister of internal affairs of Tajikistan, in the course of his conversation with newsmen told that the leadership of the Ministry of Internal Affairs is pinning its big hopes on the ceasefire agreement signed in Tehran.

Leader of Opposition Group Arrested

LD2809050194 Moscow Mayak Radio Network in Russian 0200 GMT 28 Sep 94

[Text] A leader of an opposition armed group has been arrested. His group is suspected of killing 60 Tajik paratroopers, and of robbing and killing a group of cash collectors who were transporting 100 million rubles.

Government Decree Toughens Controls on Imports, Exports

LD2809100494 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 27 Sep 94

[Text] Amendments and additions have been incorporated into the Code on Administrative Infringements of the Law under a decree issued by the Presidium of the Supreme Council of the Republic of Tajikistan. These amendments and additions touch on all areas of administrative activity in the Republic of Tajikistan. You can learn more details of them later; they will be published.

Here is another decree by the Presidium of the Supreme Council of the Republic of Tajikistan:

Taking into account the grave socioeconomic situation that has arisen in the republic and noting the unsatisfactory way the work of government structures is organized, the lax supervision and accountability of the heads of enterprises and organizations, which have led to economic mismanagement, a slump in production and a decline in living standards, the Presidium of the Supreme Council decrees:

The Council of Ministers of the Republic of Tajikistan, is:

—to take immediate measures to strengthen economic organizations' accountability for fulfillment of their obligations to the state, paying particular attention to barter-trade operations.

—to ensure more rigorous controls on the export of domestic output over which there is a state monopoly; the quotas of enterprises and organizers that export aluminum, cotton fiber, and other strategic raw materials are to be observed; the sanctions envisaged by the law are to be imposed if these quotas are breached;

—to take effective measures to systematize the import of freight for the national economy, foodstuffs and other products;

—to analyze and meet, as a priority, the republican agricultural organizations' need for material resources to bring in the 1994 harvest on time and ensure that it is stored properly.

The prosecutor general of the Republic of Tajikistan is to take measures that arise from the stipulations of this decree to bolster the supervision that prosecutors exert over observance of legislation by ministries, government departments, and economic structures, irrespective of their form of ownership. Insofar as it lies within his competence, the prosecutor is to ensure coordination between the law-enforcement bodies on implementing this decree.

In the light of the stipulations of this decree, the Council of Ministers of the Republic of Tajikistan is to submit proposals on incorporating the necessary amendments into existing legislation.

The Supreme Council decree says that the Council of Ministers of the Republic of Tajikistan will report to parliament on progress in implementing this decree on 25 October 1994.

Economic Ministry Research Center Transferred

LD2709141094 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 27 Sep 94

[Text] The Tajik Supreme Soviet presidium, in order to determine the strategic direction of the state administration and to provide scientific [word indistinct] to the most important branches of social, economic, and political life, has adopted a decision to transfer the strategic research center of the Ministry of Economics and Forecasting to the head of state of the republic. The Council of Ministers, in accordance with established regulation, should accordingly transfer the buildings and property belonging to the strategic research center and should, in accordance with the proposals of the relevant expenditure committee, ensure its organization, the number of employees, and activities and provide it with funds.

UNHCR Official on Refugees, Housing

LD2809094394 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 28 Sep 94

[Text] Yesterday Shukurjon Zuhurov, Tajik labor and employment minister met Pierre Francois Perlot, the head of mission of the UN High Commission for Refugees [UNHCR]. They discussed matters relating to the return of refugees to Tavildarinskiy district, the reconstruction of 6,000 houses in the Vaksh valley, and the UNHCR's humanitarian aid projects for Tajikistan in 1995. It was decided to increase the joint work to bring back enforced refugees from CIS countries.

Correction to Supreme Council Edict

LD2709095794

The following correction pertains to the item "Supreme Council Edict on Social, Economic Measures" run on page 63 of the 26 September 1994 Central Eurasia DAILY REPORT: Paragraph one, sentence one should read ...immediate measures to overcome shortcomings in the social...(rewording); Paragraph two, sentence one should read ...immediate measures to overcome shortcomings in the social...(rewording); Paragraph eight, sentence one should read ...immediate measures to overcome shortcomings of the social...(rewording)

Uzbekistan

Karimov Address to Parliament 22 Sep

LD2709121394 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 22 Sep 94

[Speech by President Islam Karimov at opening of 16th session of the Uzbek Supreme Council in Tashkent on 22 September—recorded]

[Text] Greetings, esteemed people's deputies! Dear friends!

The 16th session of the Supreme Council today is very important for the development of our country and society. First of all this session coincides with the third anniversary of Uzbekistan's independence, which deserves to be noted. The recent independence celebrations showed all our people and the world once again the correctness of the path taken by Uzbekistan and the importance of its independent development for our lives. This holiday was celebrated in conditions of stability and public order, when we were taking practical steps toward the market economy, the population was provided with social protection, and our country was being recognized on an international scale.

Three years is not a long time in our history. But in a period that is crucial for society's progress, time is measured not only by pages in the calendar but also by the importance and profundity of the changes carried out in the political, economic, public, and intellectual life of society.

I can say with good reason that we have traversed a whole historical period in our national state's development, and achieved important changes in the all spheres of state and public life.

I can say without exaggeration that the first Supreme Council to be elected by our people's free will and empowered to act on their behalf formed the basis for a historical turning-point, laid the foundations for the state's independence, and governed these processes.

I think that every one of us, every single deputy is reflecting on those first historic steps which we took and those unforgettable days which are now part of history. Therefore I think it is natural to recreate in our memories, hearts, and consciousness the meaning of those difficult, contradictory, and glorious days. This is because during this short time we have lived through a time that was equivalent to several centuries. We faced social processes that were unprecented in history. Destiny set our generation tough trials and tasks.

Therefore, if today we look back at the path we have traversed, I think it needs to be assessed in terms of the basic features that were specific to that period. This assessment needs to be made from an objective and honest human point of view rather than in a formal, official and impartial manner. Because any renewal, any change in a society should above all be carried out for the good of the people. We regard this idea as the main aim of our activity, and we are trying to move along this path steadily.

We are essentially obliged to render our people and history an account of what we have done. What was the use of the work we did? Was it of any benefit to our country? What good did we bring our country as a deputy, as a leader or as an ordinary citizen? I think it is only right that we should ask ourselves all these questions, because in the final analysis it is the people alone, our dear compatriots, who will be the judge of all our actions.

In this context I think it would be appropriate to look back at the past, above all to the sociopolitical processes in the world. As you know, the major unforgettable events have taken place in this final decade of the 20th Century. For more than 70 years the world was divided into two opposite camps and people lived in constant tension and fear.

At the same time the movement for national liberation and independence was maturing and taking on large proportions in various parts of the world. The struggle of oppressed peoples for independence became the principal idea of the age. Countries that were subject to other countries began to gain their independence one after another.

It became clear that the colonialization as a political policy in the international arena had collapsed.

This process stands out as a fundamental, hugely important area of sociopolitical development in the 20th Century.

And finally, at history's command, one of the biggest and last empires in the world, the USSR, fell apart as the century waned. In spite of all its high-sounding and fine language, the Soviet Union was a colonial power in essence, and it fell victim to the inglorious communist experiment.

The nations who lived under conditions of total obedience in a vast country which occupied one-sixth of the world cast off their chains of servitude. Each nation began creating its own national state according to its potential and mental attitude.

The dreams of the ancient nation of Uzbekistan came true. Our dear home raised high the proud banner of independence.

Dear deputies, dear compatriots! The experience which we have accumulated to varying degrees in the last four or five years, the changes which are taking place in our society, the specific character of the processes taking place in the country, our first results, lessons, achievements, and mistakes allow us to draw several conclusions.

But before setting out these conclusions, let us now cast our minds back four or five years to what we went through in 1989-90. Let us answer some extremely complex but natural questions: Think about, dear friends, what were we at that time? What were those times? In whose hands were our fate and our will?

Whom and what did we worship? Whom and what did we glorify when we sang that national anthem?

What condition were our language and religion in? Were we able to pay proper attention to such sacred names as Imam Bukhari, Al- Termezi, Hoja Bahauddin Naqshband? What ashes, what dust covered over the great names of our ancestors Amir Temur, Babur and the rest?

What concepts did we trade our national honor, human dignity, customs and traditions for?

And what about ourselves? Were we aware of ourselves? Did we realize that we were sons of a single, priceless land enriched by the immortal heritage of our great ancestors?

And were there many in the world who knew Uzbekistan? Did anybody take any account of us?

Cotton was supposedly our national pride, yet it was really a yoke which brought our people nothing but poverty, untold torment and suffering.

Think about it once more, my dear compatriots. Was it not only yesterday that we dared not to raise our heads? When we had to hang on every word that came out of the Kremlin. Dear friends, we have no right to forget those days. All of us should be well aware of this.

Let us recall the first steps taken in the period of our independence. The situation at that time was so unclear and dangerous that if we had made a serious mistake and let up on vigilance and control, if we had pursued the path chosen by some rowdy leaders and let ourselves be drawn into arguments, then the fate of our people and homeland could have taken a completely different turn. We must realize this quite clearly.

Thanks be to God, who gave us all common sense at such a difficult time, endowed us with steadfastness and the spirit of mercy alive among us.

As they stood shoulder to shoulder through the days of difficult trials, our people and nation proved that they were masters of their own great national character. That is why, as I address you from this rostrum, I pay homage to my people, as a son of this nation. Our best achievement and wealth today is our people's wisdom.

That is the only possible way to preserve our nation, our people in this tough world, and to lead them to prosperity.

Dear friends, if we generalize on what I have set out, and compare today with 1990, we can see the following main criteria for the changes taking place in our lives and for the successes we have achieved:

First of all, people's outlook has changed: they have developed a greater sense of pride, honor and dignity, a responsibility for what happens in their lives and work, a greater love for the homeland, and a greater sense of being masters of the country.

Let us remember the change in mentality that began during the perestroika period. At that time, too, we were suffering from an infectious disease. We should all remember this. We still recall the various hopeless, shortsighted efforts activities carried out under the mask of democracy.

We recovered from this disease more easily than some others. The principle that one state is one family has been laid down. We are seeing with our own eyes that the moral climate has improved in workforces, in local residents' wards and in families. I consider this one of the good features of the new period.

Another of the good features of our time is that the nation has developed a self-awareness. At last a time has come when we have come to appreciate the land we live in, what a beautiful and ancient country we have been born in. Eastern philosophy as well as common human values are being established parts of our life. Muslim values, or as our people call it "Uzbekness" - kindness, respect, tolerance, care, and sympathy - are becoming the normal standards of our society. It is important that these great principles and guidelines should be increasingly ingrained in our hearts.

Our Islamic faith, the religion of our ancestors, and its teaching and influence, fill our lives and souls with new meaning. No one can deny that.

A person who does not remember his own descent and origin cannot be regarded as a real human being. We should all realize this. And we do.

For many decades there was an attempt to divert attention from our religion, history and spiritual legacy. But we did not stop dreaming of freedom - and fighting for it. We always remember where we came from and what our history was.

The increasing drive to be worthy heirs to our great ancestors who made immense contributions to the treasure-house of mankind's common culture, and the realization of this by every citizen, are all a good indication of the new times. Uzbekistan is our sacred homeland, the place where our forefathers were buried. I think we also understand that we too will be buried in this place. We are gratified that one of the defining characteristics of the present day is that our children are being raised in a spirit of loyalty and that their hearts are being filled with love for every inch of our native soil.

Another clear pointer today is the fact that now that we are fully aware of our glorious history, the realities of the present day, and our place in the world community, we are focusing on our aim of bringing up a healthy new generation.

We have taken bold steps to build a new society and state. We have absolutely rejected the totalitarian system and its methods of government, and are building a political system in the republic that matches up to both experience in the rest of the world and our own outlook.

The institution of local state administration [hakimiyat], which is in line with our national awareness and traditions, has been established in regions, towns, and districts. At the same time, the local government bodies known as district wards [mahalla] have been given greater powers and freedoms. The new administrative system, which corresponds to the character and wishes of our people, ensures peace and harmony in the republic.

I believe that the fact that increasing numbers of physically and mentally strong members of the new younger generation are becoming involved in management is another distinctive feature of the present day.

Another great gain is we have started building a new edifice founded on our sacred soil, on the foundations laid by our forebears: a great state which seeks a worthy place among its peers. Persistence in striving for this great aim is another feature of the new times.

We are very glad that our veterans and the fathers and mothers whom we honor have had a large role in many of the activities that are widespread in our country. We are given help, strength and energy by the fact that they give our deeds their blessing and that they stand together with us, side by side and shoulder to shoulder, teaching us, enriching our knowledge and when necessary explaining the value of our present calm and peace situation.

In other words, there has been no room for division and disorder in our society. Accord and community of opinion have become established. I regard this as the greatest of achievements and strengths.

Another very positive feature of our time is that as we develop our national ideology we are becoming more aware of ourselves and are seeking to create suitable living conditions for everyone in our country, irrespective of race, ethnic origin and religious beliefs.

Dear deputies, the most urgent task of our life today is to bring the economic reforms to their conclusion with increased speed, and to get the desired results from them. To do this we have to continue the work we have started. I think that the most important and decisive task of the day is to bring to an end the work on denationalization of property and privatization, and to change the form of ownership and to give it to its real owner. We must prevent formalism, window-dressing, indifference and basically anything that could be described by the saying "sign and seal it - and forget it". It doesn't matter whether we are talking about industry, the construction industry, the trade sector, the service sphere or agriculture.

In the measures we have planned the main attention is devoted to bolstering economic independence, and to upgrading the responsibilities of workforces at enterprises, organizations and farms, irresepective of their form of ownership.

There is another important task. I ask for special attention to be paid to owners of private and personal property and to their income. I would like to repeat that one should not be jealous of the owners of personal property or at their income. One should give them scope. This of great significance. The central point is that we must change our mentality. If a man, whoever he is, has worked honestly for his wealth we must furnish him with every opportunity.

The reason for this is that our people will become wealthy through this person's wealth. Through his wealth a prosperous life will be created. Through his wealth enormous changes will happen and others, too, will be able to live from these changes. The period has passed when we were all made equal - equal in our destitution. Let us leave that behind.

Here is another thing. Our laws, resolutions and decrees grant such people wide-ranging rights and create equitable conditions. Unfortunately, all this is still only written down in documents while in reality, in real life, it is not happening. I realize this and I can sense it. It pains me to speak about it since it is something we cannot do without. If we do not do it, we will have no tomorrow. We must do it. We must create equitable freedoms that are granted in law and are a reality everywhere. If we do not achieve this we will gain nothing.

It is quite unnecessary for these deeds to be accompanied by high-flown language. Yet we spend a great deal of time talking about how we really are building a new society. I would like to talk about this a little later. There is a great difference between those who deliver eulogies in their speeches and those others who perform miracles in making these words come true. A certain split has appeared among us according to what role we play. Some of us stand up and deliver fine-sounding speeches from the rostrum, while others perform astonishing deeds without such fine words. How unequal this is! How can one understand? There have always been such loud-mouthed people in every era. I am well aware of it. But I wish there were fewer loudmouths and more working people. We should all see to this.

The number of propaganda-merchants is in fact increasing. But who is doing any work?

As you know, we have given wide-ranging freedoms to workforces, we have reformed the management system in the national economy, and we have removed the management and administrative function from ministries and their local affiliate organizations. State purchase orders have been abolished or sharply curtailed. We have switched over to free prices, and all possible rights and opportunities have been given directly to the producers. These measures are, of course, bearing their first fruits, as everyone can see. But I will say again that if we take an honest critical look at what we have done by way of reforms we will see a lot of difficulties at every step of the way.

Above all, some leaders and officials display a regrettable lack of understanding of the program and measures which we have designed to be implemented. Let me repeat, their understanding, their attitude to reform, and and the discipline they apply to their work are regrettable. We have got it down to a fine art to praise the reforms at our meetings. We say that we are doing a great deal; we try to convince people of this and make them outrageous promises, but in reality the situation is completely different.

We should get rid of such infectious diseases as empty talk and bureaucratic behavior as soon as possible. The continuation of this kind of situation could compromise the reforms themselves as well as the authority they enjoy. The consequence could be that people would see a case for retreating from the reforms. What is worst, in my opinion, is that if we do not prevent it, people's mood might change. And then they might start saying: Enough of your reforms. Is that what we are waiting for? Who can be unaware of the upsurge in this kind of mood in Russia?

With this in mind we should make "everything for the people" a motto for our work. People should experience the reform moves and benefit from them. They should support the reforms. People should pursue reforms in a heartfelt manner. Only then will all these reforms hit the mark.

Otherwise what will happen? You know better than anyone where it can lead to.

The most pressing problem of the day is to channel all our human and labor resources into creative activity. I well know, and you, dear friends, know even better that a person who holds leading office ought to work on himself, to acquire in-depth learning, seek out the most contemporary experience, and not spare himself.

Of course it is not easy to find a ready-made leader or expert. It is, of course, difficult to seek out a person who can meet all the requirements of today and who hs a good understanding of the reforms currently being pursued.

As a leader and as the president, I would like to say that in my opinion, the most difficult and complex problem is finding a expert who is ready and appointing a leader to the right job.

I would like to repeat this. If a manager is in the right job I can rest easy in my mind. I believe that the people and the nation are sure to find security under the leadership and guidance of this person. Take note: we feel our task to be 90 percent done if these people are in the right job not only on farms but in any organizations - in educational institutions, service organizations, or whatever.

I would like to say it yet again: it is no easy task to find a ready-made leader, but to our deep regret most of our leaders have not yet been able to rid themselves of the disease of over-dependency and free themselves from the dogmatic methods and other baggage of the old system. It is very sad to see some leader who sits blithely ignoring his duty, waiting for someone to come and sort everything out. Of course, we all know well that it is very difficult to overcome today's hardships and find the right way. But, at the same time, it is only those men who possess the gift of leadership, a firm hand when necessary, and honesty and conscientiousness at the same time, who have the moral right to put on the mantle of leadership.

I have something to say to our leaders. When a leading position is offered there may be a great many candidates interested in it. In such circumstances I want them to ask themselves if they are able to perform this duty; are they sure that they if they move from thir present job to a high position today they will not disgrace themselves tomorrow; are they aware that it might be a sad blow to him, his authority, and his family and children. I always wonder whether these things enter their minds. If you ask some people what post they are going for they will answer: i am ready to carry out your orders; I will do as much as I can, and so on. I do not know why our people do not look at things with a critical eye, why they are not conscious of their own responsibilities and of the tough consequences of the tasks which will be set them, and why they do not pay attention to this.

In general, we are all ready to become leaders, but putting on the mantle of leadership, taking the job of leader on is, in my opinion, a matter of destiny which requires selfnessness. It is a God-given thing. It is impossible to be a born leader. A leader must possess a variety of qualities. You know, I have one watchword: we must put our lives and souls into out native land and people. It is full of meaning. Only those who can match up to this watchword can become leaders. I wish you could find some piece of machinery, some set of standards that would allow me to find answers by using this watchword as a measure, and then I could sign the order. I wonder whether such a day will ever come.

I would like to say it again: find me such an instrument, find me people who will live and suffer for their native land and nation.

Dear deputies, experience tells us that sensible, inquisitive enterprising and able people will unite around a just and innovative leader. And the work that is done there will be on the boil, the atmosphere congenial and the people in good heart.

But where there is an unhealthy atmosphere? The answer to that is clear. As a rule, an unhealthy situation full of scandal-mongering and mutual hostility will arise where there is an arrogant and presumptuous bureaucrat ensconced; a person unable to do anything, a person who thinks only of his personal interest, a person around whom nepotism, hierarchy and strife thrive.

Our nation has a proverb: Where scandal holds sway, there'll be no prosperity for 40 days. And just like the proverb says, in a farm or district where a unhealthy situation reigns there is no place for success or prosperity. And if we can draw the right conclusions from this, our affairs will recover and go forward faster.

Dear people's deputies, it can be no secret for you that unless the unhealthy economic consequences which we inherited from the old system can be eliminated, and unless the lopsided nature of our production sector—the product of the role we were assigned in raw material output—can be righted, full independence cannot be attained.

We are still feeling the painful aftereffects of the past. That is why, in addition to rectifying old mistakes we have got to develop a completely new economy.

The structure of the economy's sectors needs to be radically altered. It is obvious that achieving a decisive breakthrough in a short time, in particular creating small enterprises using modern technology to produce finished articles, is quite a complicated matter and will require huge investments, and foreign investments, too.

So today we already be making every effort to realign the national economy to suit the republic's interests and satisfy the population's requirements. The first steps have been taken in this direction. From now on we should develop this process.

As it is known, every state - and our republic is no exception - becomes sovereign when it achieves self-sufficency in energy. Until recently we were forced to import all our vitally important oil products, mainly from Russia. But a lot has been done towards achieving energy self-sufficiency in the last two or three years. Today I once again express my thanks to the people who have displayed such perseverance in developing the Mingbulak and Kokdumalak oilfields.

If we take, for example, some figures reflecting the oil extraction and oil products. While some other places - all other places - are suffering from a decline in that particular field, Uzbekistan, on the contrary, is enjoying a growth in production. There are some people who see this. There are others who don't. The number of people who are watching with a deep and all-consuming jealousy has greatly increased. I have to tell you that this is the reason why we don't go boasting in the press. The Mingbulak oilfield is fully in operation now.

We have been successful, but we don't cover it much on television or in the press. The reason why we don't is so that our close and more distant neighbours will not be able to see it. If output satisfies our needs 100 per cent, then it will be difficult to give us orders from outside. It will not be easy for anyone to impose their will on us. It will be quite impossible. And it is our aim to arrive at such a situation. Let me assure you that we need a year, or a year and a half, to achieve it. If no one interferes in our plans we will certainly arrive at this result. May God grant us blessings.

I once spoke out about how much cotton we sell to buy these products. We will sell cotton to satisfy people's people's needs: we will buy foodstuffs and consumer goods, build new factories and facilities This issue is of vital importance.

Today the situation is approaching normality. The fuel and energy complex is going well. The volumes of oil, natural gas and coal extraction have increased. Oil extraction has doubled and the production of heavy oils, diesel, and petroleum-based lubricants has risen considerably. The Mingbulak and Kokdumalak oil-fields hold out promising prospects in this respect. The construction of the Bukhara oil refinery is proceeding apace. Today, as always, the rapid development of the fuel and energy complex remains a priority area of our policy.

Our republic is well known for the production of agricultural raw materials. Our most important strategic task here is to create small enterprises for the processing industry which match current requirements, and to provide them with the latest technologies as well. We must also realign production to make high-quality, competitive consumer goods. We have got to learn not to sell raw materials and semi- finished products for nothing in future. Instead of this we should trade finished articles, modern goods for which there is a demand.

We should focus our attention on improving the territorial structures. The potential and manpower of the regions and of the Republic of Karakalpakstan are still not being used to a sufficient degree, or effectively enough.

There are still quite a number of population centers and villages in our country where the production base is undeveloped and the infrastructure is backward.

To my regret, in some places people lack the facilities of purified drinking water, gas and consumer services. This should be rectified so that the people's living conditions in the villages are no worse than those in the towns.

This is why our priority task is comprehensive development of the regions and radically alteration of the face of village life in social terms. I would like to return to those words which I have already repeated: any country which cares about its future must first and foremost help agriculture to develop and give it comprehensive assistance - economic, material, scientific and technical. The village is the foundation of our economy and of improving people's prosperity.

Until now we have devoted particular attention to agriculture. And that is going to continue. Many economic privileges are being created for this sector. The purchase prices of cotton and grain have been increased several times over. Almost all agricultural products are now sold at market prices. The share taken by the state order is decreasing from year to year, and farms are being given greater economic independence. State farms have changed their form of ownership to become private or leased units.

The number of peasant farms has increased and the area of land and personal plots they own has expanded.

At the same time it must be admitted that the reforms are being implemented at an intolerably slow pace.

I do not know how you view this, dear people's deputies, but to my mind the time has come to wage a serious struggle against such occurrences as formalism, total complacency, idleness, parasitism and bribe-taking, which hinder the reforms from being completed in the countryside. How long we can tolerate people who want to know nothing but whatever is in their own mercenary interests, and who have become a drag on implementing the reforms, observing the adopted laws and resolutions?

If we look deeper at today's situation, it turns out that while the decrees and resolutions adopted at the republican level do get carried down to grassroots level, some hypocritical officials so emasculate their meaning that implementating them is out of the question. Tell me, how long can this go on? Dear compatriots, I do not have to tell you how important it is for Uzbekistan, for our people, and for the achievement of economic independence, to satisfy our own grain requirements. Simple calculations have shown that some 3.8m tons of grain a year is needed to feed our population. Uzbekistan has the real potential and conditions for storing such amounts of grain. This year alone 650,000 hectares of irrigated land and 550,000 hectares of dry-farming land have been earmarked for grain production.

In 1995 it is intended to allot about a million hectares of irrigated land for this purpose, quite apart from dry-farming land. Do the sums for yourselves, dear friends: if we will harvest 35-40 quintals of grain from each irrigated hectare our goal will have been met.

How long are we going to beg for grain? We buy grain from Australia, Canada, America, we buy it even from our neighbor Kazakhstan, for dollars. We have signed a two-million [currency not stated] contract. You take a look at what kind of policy they pursue behind the pretty facade. We buy everything for dollars and gold, and you can count how much we have spent.

If we can harvest an average of 10 quintals of grain per hectare on dry-farming lands, we can produce 500,000 more tons more of grain.

I repeat that achieving an average crop of round about 40 quintals of grain per hectare is quite within our capacities. How long are we going to fork out gold and grain to pay for imports of grain from other countries? Until we become self-sufficient in grain there is no point in even speaking about economic independence.

To be honest, however, the situation is progressing in a far from gratifying manner. Judge for yourselves: why do some work teams and farms in the Dzhambayskiy district of Samarkand Region grow 60-65 quintals of grain per hectare, while in the Tashkent and other regions this figure does not even exceed 22 quintals on average?

What do you think of that, Comrade Ikramov, as a leader? Rather than doing this job you'd do better to go and hang yourself. Why is the Tashkent region, which was formerly one of the front-ranking ones, in a sorry plight? Neither cotton nor grain production is organized well here. It is disgraceful.

How should we view the fact that only eight quintals of grain per hectare are picked on irrigated lands in Karakalpakstan? The reasons for this situation are, above all, the irresponsibility of the leadership and the poor attitude to the land.

Moreover, for many years we repeated "cotton, cotton" over and over again so that we forgot the techniques and secrets of grain production. Why is our republic, which was once able to keep not only the USSR but the whole socialist camp self-sufficient in cotton, unable to achieve self-sufficiency in bread and grain? It is relevant to ask this question of some hakims and heads of farms, who are quick to mouth fine words about the republic's sovereignty and independence.

My dear people, let us roll up our sleeves and give a personal example in the task of providing our people with bread, the basic foodstuff. Prove by results rather than words that you are loyal to the homeland and that you are working for its independence and bright future!

Let everyone know, particularly the hakims, that there will be strict accountability in this matter. And from now on the activity of any leader will be judged by the contribution he makes to securing the economic independence of the homeland.

One tonne of grain costs $150 and the trend is for this to go on increasing. We have increased the purchase prices and are determined to increase them again. This fall, believe me, we have to start sowing from right now, not November. There are scientists sitting in this hall. I am tired of talking to them. Show your worth, for God's sake! We have a grain institute; we have prominent professors at your disposal, Comrade Ikromov. Who knows which areas should be sown with what kinds of wheat? There is a clear delineation between the various different types which should be sown in differing climatic conditions. Who is going to do this? Who is going to help the peasants?

In this context, if we look at the republic's potato supplies we will see a picture that is beyond belief. Three thousand out of 12,000t of seed potatoes brought from the Netherlands has gone rotten. These potatoes were brought to St. Petersburg in 12 ships. They sat there in the port for 25 days. A number of criminal offences were committed during this process. Because the people in charge did not transfer money to the port in time, the Netherlands firm had to pay this out of its own pockets. Although the nature of potatoes is such that they needed to be transported in special containers, the freight was sent in ordinary railcars instead. The reason - irresposibility, a criminal disregard for public property. The potatoes, which the techniques dictated should be planted in June or July, was planted a month late - in August. We do have a specialized institute of vegetable-growing, but nobody has paid enough attention to a seed-growing system adapted to local conditions yet. What can one say about the fact that a similar situation was repeated this year? Who will answer for such economic slovenliness? Who will punish those who are guilty? You would think you would burn up with shame for such a situation!

It is not for nothing that our people say: Feed the land, and it will feed you. Unfortunately, our attitude to the land can hardly be said to be positive. We are all quite aware of our land is several times less productive and its crop capacity several times lower than other countries. Why are we nevertheless failing to take the appropriate measures?

Here is another example: the area of irrigated land, earmarked for people's personal use is now about 700,000 to 450,000 hectares. There are a lot of farmers who put a lot of effort into the plots thy have been allocated; they have good incomes and look after their families well. Along with this there are cases in some regions when plots of land that are actually worth thir weight in gold are overgrown with weeds. It is simply amazing - can a land owner be that careless and ungrateful?

The conclusion is this - the land must be given to those farmers who love the farmer's vocation and who treat the land kindly. Those people who leave the land to the mercy of fate must be deprived of their plots.

If we get into a position where we have modern agricultural production of a high standard, then given the conditions in Uzbekistan, just 7-10 per cent out of the 4.2m hectares of irrigated land will be quite sufficient to provide our economy and population with agricultural output.

We will have to involve the rest of the rural population in other sectors - industry, construction, trade and the service sphere - which are quite profitable.

South Korea can be cited as an example: 2 million hectares of irrigated lands, half the amount which Uzbekistan has, not only feeds a 42-million-strong population, but enables them to export agricultural output. Agricultural workers account for 5-7 per cent of the able-bodied working population in that country. Draw your own conclusions.

Dear people's deputies, from 1 July a new stage began in the republic's life and in the development of the economic reforms. We issued a new currency, the som. We prepared for this important matter thoroughly and without haste. The national currency is the national pride, the symbol of the state's independence, and index of the state's sovereignty. It must enjoy great prestige, strength and purchasing power. This can be attained by making competitive products and by making sure there are enough resources.

Our main task is to strengthen our national currency, to turn it into a currency which will be respected all over the world as being one of equal worth. We should not forget that each person's welfare, each enterprise's prosperity is linked to the stability of the national currency.

In order to secure stability and free circulation for our national currency we must implement the four programs which have beem adopted by the government.

Firstly, in order to increase the som's purchasing power we must satiate the market with goods that are in demand. The main task is to produce domestic goods which will satisfy the essential needs of the people. To this end we are giving comprehensive help to enterprises which produce consumer goods, giving them priority when it comes to investments, and providing them with raw materials, resources and credits. We have achieved substantial positive results in this matter. The production of consumer goods is increasing from year to year. This is to the credit of the light, food, and local industries.

The proportion which domestic goods make up in the total volume of the consumer goods sold is growing. We are undoubtedly all glad of this fact, but we should not be complacent about it. We still have to import many kinds of foods and industrial products. We should tackle this problem more rapidly.

Second, as has been stressed more than once, increasing export potential, focusing enterprises on production for export, and winning a stable place on the world market is one of the main fields of the reform.

We will continue to assign those enterprises which set themselves the task of making products for export priority and privileges when it comes to allocating raw materials and investment. Let us create opportunities and mechanisms for our enterprises to address the problem of making competitive products which are up to world standards. They need to get into the world market and learn to earn hard currency and increase the revenue to the republic's treasury. This is their task, their sacred obligation to the state, their workforces, and the entire people.

Third, it is necessary to conduct a consistent fiscal and credit policy. We must learn to make careful use of our financial capacities, we must count the materials and the money and prevent squandering. Every som spent in the economy must produce large returns and work for the country's future. There must be an unwritten law for both enterprises and entrepreneurs - that they must ensure that funds and credits given by the state must be used for useful and visible purposes. At the same time they must learn to return the credit they take out on time. In turn, the terms and conditions of credit must be such that enterprises constantly feel accountable for the money they have borrowed and strive to put them to effective use to increase production.

Fourth: the most important issue is how to ensure that the availability of consumer goods on the internal market balances up against the amount of cash in circulation. This is the main precondition for strengthening the currency and increasing its purchasing power. This is the only way we can combat inflation and bring down its rate. Only by doing so can we preserve the health of our national currency.

We have already sensed that our som has started its work with strength and in great spirit. Prices have fallen sharply at the peasant markets and the inflation rate has dropped. This positive process needs to be consolidated and developed.

The main sense of the points which I have set out is that we should not allow an increase in the money in circulation, we should not permit emissions of new money, and we should prevent people hoarding up money.

Let us note the following fact of life: an increase in the amount of cash which people possess will not raise their standard of living. Under the present conditions where the controls are in our hands, it would not be difficult to print more money and give the population worthless money that has nothing behind it.

Of course, a rise in salaries, pensions and grants is needed to raise the standard of living. But more goods must be put on the market than the value of the money in circulation, and the paid services sector must be increased. In other words, the amount of money anyone has must be matched by the provision of commodities and services.

Dear friends, one of the important principles of our reforms is providing social protection for low-income strata of society such as old people, invalids and children. Helping young people to get a good education and find employment is a sacred duty of the country.

We have decided to rely on self-government, on the local ward [mahalla] which has a great influence on today's life, in order to implement our intentions, which are both good and necessary. We have issued a decree on assistance for low-income families, which will be granted via special accounts opened in local branches of every bank, and only on the local ward's instructions. We believe that the elders and activists in the local wards will act energetically to implement this good initiative and ensure that justice is done, thus further heightening the prestige they enjoy in the eyes of the people.

A unified social security system must be thoroughly worked through and produced. The state and social organizations, especially trade unions and various charity foundations, must unite their efforts to do this.

Dear friends, the society which we are building sees its main goal as being to make justice triumph, not to leave anyone in difficulty or need, and to provide help in good time where it is needed. I want to repeat what I have said more than once already: it is not man who must serve the reform, but reform that must be implemented for people.

Everyone, and particularly our children, must see every step the republic takes as a new opportunity to make their hopes come true. To achieve this we must bring up our children in a spirit of loyalty to the homeland and genuine patriotism.

This education must be founded on continuity from generation to generation. We have a deep-rooted respect for our elders and a desire to follow the example our parents set at work and in personal relationships, and to continue the work which our fathers and grandfathers began.

To achieve this objective we must improve teaching and education methods in a consistent manner. State and public organizations as well as associations and foundations which spring up must pool their efforts, coordinate their actions and spare no effort or money in bringing up phisically and spiritually healthy and moral perfect generation.

This policy must become a priority program in strengthening the foundations for prosperity and independence of our Uzbekistan. All our intellectual, moral, economic and sociopolitical relationships must rest on this policy. After all, our culture and history are our principal wealth, which we must cherish as the apple of our eye. They will never grow antiquated, fall into decay or become worthless. They are a priceless gift which rejuvenates the spirit of the individual and society. And the main objective we are pursuing is to give everybody access to this gift.

By the beginning of the new academic year we had completed construction of a new building for School No. 24 in Tashkent's old town. The school has been turned into an educational establishment which meets the requirements of today. At first sight, seen at national level or even in terms of Tashkent as a city, the event was not such an exceptional one. However, if we look at it from another viewpoint then I am sure we can see that the event has made 1,800 pupils at the school and their parents satisfied and happy.

I wish more such events would happen in each village, district and city of the country! I wish everybody who held the office of hakim and every other leader would do his best to build at least one such school! I am convinced that the hakims of the local administrations will take every opportunity to undertake this noble task and responsibility, and will build at least one such school, which will make everybody glad. Calculate for yourselves how many children and parents would be made happy by this handiwork of ours. The society which we are creating must be a truly humane society. Every human being of any ethnic group living in the republic must have the right and opportunity to enjoy these benefits.

Let everybody to be able to raise his head and say: I am a free citizen of a free and flourishing Uzbekistan!

Esteemed deputies, the Uzbek parliament has successfully met its commitments. It fell to the people now sitting in this wonderful hall to lay the first foundation stones for our state structures and for the edifice which is our new life, and to take the first steps in implementing the economic reforms. That is a great fortune.

In accordance with the activity of the Supreme Council as envisaged by the constitution and approved by you, we should start getting ready for the elections.

As we declared earlier, there are no obstacles for the forthcoming elections to be held on a multiparty basis involving broad participation of all political forces, social strata and public organizations in society in a real democratic spirit.

Naturally, every party and public organization that takes part in the elections will have their own program and their own slogan. But we believe that our common nationwide slogan and election aims that are in the national interest should also be clearly expressed. That way we will be able to secure national unity and close bonds of friendship.

At the same time we may say with confidence that the nationwide slogan will have a positive impact on the programs of the various parties and public organizations taking part in the elections.

Our people keep these ideas in their minds and hearts. Well, dear friends, what is the content and point of these ideas? I would like to draw your attention to these points:

First, let us be firm in our solid beliefs today; that is, let us consolidate peace, tranquillity and stability.

Our second slogan: let us raise intellectuality and education to a high level. Let us consolidate national consciousness and democratically-minded education on the basis of humanity and national values.

Third, let us establish strong order and discipline on the basis of strong laws, and secure each citizen's rights irrespective of race, nation or belief.

Our fourth slogan: let us entrust property to its owner by changing the form of ownership in our economic life and create a prosperous life based on freedom, enterprise and initiative.

Fifth, let us raise our people's real incomes and living standards through the reforms being carried out in our society and through the improvement of our economy.

The sixth task: let us consolidate the state structure and occupy a notable place in the world community by identifying friendship, mutual respect and cooperation as the critical principles.

The seventh and last slogan, which embodies our noblest aspirations: let us live and work honestly for our future and for our children's happiness, and remain a free and prosperous homeland. I believe that such worthy intentions will fill our life with noble meaning and aspirations, and the dreams and hopes of every party, every public organization and social group, and every citizen will come true.

Dear friends, there are very large and complex problems along the path of attaining the goals, but we have already traversed a certain distance, the hardest part of the way. We have not allowed hesitation to grow up, industries to collapse or people's standard of living to drop sharply.

We have taken a great step in enhancing the authority of our state, nation and people. Deputies' work and the laws and resolutions passed by them have made a major contribution to that matter. Nobody can deny this.

My friends; helpers of the nation: the years will go by, but our grateful people and descendants will keep your activity, your good work with its great historical significance, in their memory for ever.

We face ever more and ever greater problems in creating adequate living conditions for everyone who lives in this country. I believe that everyone sitting in this hall, and everyone who has been through the great university of life, wherever they work, whatever job they do and whoever they are, will execute and fulfill their obligations to the homeland until the glorious end.

To put it simply, I would like to tell you, the deputies sitting in this hall, quite frankly that now that we have learned the right lessons from our earlier life we have become closer to each other, we have found each other, we have realized the importance of friendship. Let us work together for many years to come. Out of the 500 deputies present here - I don't know if this is going to be shown on television; I'll find out - I won't mind if only 250 out of the 500 deputies present are left.

Our wish is to thank God for our lot and destiny, and ask Him to protect our nation from all sorts of ills and misfortunes, to help our population who are living an honest life, and to fulfill their dreams and wishes.

Judges Released From Higher Economic Court

LD2809100994 Tashkent NARODNOYE SLOVO in Russian 27 Sep 94 p 1

[Text] Resolution by the Supreme Council of the Republic of Uzbekistan on cessation of the authority of certain judges of the Higher Economic Court of the Republic of Uzbekistan.

In accordance with Article 72 of the Law on Courts of the Republic of Uzbekistan, the Supreme Council of the Republic of Uzbekistan resolves that the authorities of the following people are to be considered ended:

Yuriy Ivanovich Sviridov, deputy chairman of the Higher Economic Court of the Republic of Uzbekistan, in line with an application submitted by him;

Georgiy Gennadyevich Godyayev, judge in the Higher Economic Court of the Republic of Uzbekistan, in connection with his departure from the republic.

Erkin Khalilov, acting chairman of the Supreme Council of the Republic of Uzbekistan, Tashkent, 23 September 1994.

New Supreme Court Judges Appointed

LD2809101294 Tashkent NARODNOYE SLOVO in Russian 27 Sep 94 p 1

[Text] Resolution by the Supreme Council of the Republic of Uzbekistan on changes in the structure of the Supreme Court of the Republic of Uzbekistan.

In accordance with Articles 63 and 72 of the Law on Courts of the Republic of Uzbekistan, the Supreme Council of the Republic of Uzbekistan resolves:

1. The following people are appointed judges of the Supreme Court of the Republic of Uzbekistan:

Eshondada Ubraimovich Burhonov

Erkin Yoldashev

Mokhtarjon Sobirov

Quchqar Toghayev

2. The authority of Abduhamid Abdrahmonovich Ahmedjonov as a judge of the Supreme Court of the Republic of Uzbekistan is to be considered ended in view of his transfer to another work.

[Signed] Erkin Khalilov, acting chairman of the Supreme Council of the Republic of Uzbekistan, Tashkent, 23 September 1994.

Armenia

Turkmenistan Agrees To Supply Gas

LD2709202694 Moscow ITAR-TASS World Service in Russian 1630 GMT 27 Sep 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 27 Sep—The talks between the government delegations of Armenia and Turkmenistan have ended. The two sides have found a mutually acceptable solution guaranteeing supplies of Turkmen gas to Armenia and defining a form of payment for the fuel. The talks were headed by Grant Bagratyan, Armenian Prime Minister, and Valeriy Otchertsov and Redzhep Saparov, deputy chairmen of the Cabinet of Ministers of Turkmenistan.

As V. Otchertsov, the Turkmen deputy prime minister, said at the end of the talks, the agreed form of payment for the fuel includes payment partially in hard currency and partially in supplies of capital equipment.

In order to ensure regular supplies of fuel, the "Armgazprom" [Armenian gas industry] association and the Turkmen oil and gas ministry will consider the possibility of using underground storage of gas along the route of the gas pipeline.

At the end of the talks, a protocol on gas supplies was signed in Armenia for the fourth quarter of the current year and on payments for the supplies of gas.

Today, the Turkmen delegation left for Tbilisi. We intend to continue the talks with Georgia and then with Azerbaijan, representatives of the Turkmen government have said.

Karabakh Official Says Russia To Block Oil Deal

NC2709142094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1402 GMT 27 Sep 94

[Text] Stepanakert ("Hayastani Hanrapetutyun", "Azg" dailies), 09/27/94—Counselor on Foreign Relations of the RMK [Republic of Mountainous Karabakh] Supreme Council Maksim Mirzoyan declared, commenting on creation of an international oil consortium in Azerbaijan, that the latter finally clarified the position of several countries regarding the Karabakh conflict.

"If the agreement be implemented," Mirzoyan said, "Azerbaijan will gain a huge economic input which will, first of all, be used at the Karabakh fronts.

"I do not believe that the agreement will be implemented though," RMK parliamentarian said to the journalists, "since, as a representative of Great Britain pointed out, it is too risky for both those who sign the agreement and their opponents." Mirzoyan stressed that Russia will not allow others to explore natural resources in the zone of its interests. After all, this will be a real threat to the statehood of Azerbaijan itself. Mr. Mirzoyan noted though that this is his personal opinion, not that of the RMK authorities.

Turkish 'Grey Wolves' Said Training Azeri Army

NC2709140794 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1402 GMT 27 Sep 94

[Text] Stepanakert ("Azg" daily), 09/27/94—Despite relative lull at the Karabakh fronts, the Azeri units continue to shell the Armenian defense positions from time to time.

Headquarters of the RMK [Republic of Mountainous Karabakh] Defense Army report that the Armenian defense positions at the villages of Aghabekalendg, Levonarkh and Talish in the Mardakertskiy district were shelled in the morning of September 26. No casualties have been reported. Karabakh forces refrained from returning the fire.

Well informed sources report that seven large lots of artillery shells and anti-tank mines have been delivered from Turkey to Azerbaijan during the recent two months. At the same time, 200 members of Turkish "Grey Wolves" have arrived to Baku to train new recruits of the Azeri army.

Political observers in Stepanakert believe that continuous modernization of the Azeri army and active participation of Turkey in the Karabakh conflict may seriously endanger fragile cease-fire at the fronts, and nullify the results of Russia's and CSCE's peaceful efforts.

Azerbaijan

Aliyev Comments on Meeting With Clinton

NC2709203994 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 27 Sep 94

[Report by Seyyad Akhbababli from New York]

[Text] Although the main reason for Azerbaijani President Geydar Aliyev's visit to New York is to take part in the UN General Assembly session, his meeting with U.S. President Bill Clinton was the climax of the trip. This meeting took place at Bill Clinton's residence in New York on 27 September. The meeting was held (?in private).

In briefing reporters on the meeting, Azerbaijani President Geydar Aliyev said that it was held in a warm and businesslike atmosphere and that the two men exchanged views on matters of interest to the United States and Azerbaijan. The U.S. President highly assessed the oil deal signed on 20 September and said he regretted that he could not be at that ceremony. Clinton expressed the hope that this agreement, jointly signed by eight oil firms representing six countries, will benefit all sides, especially Azerbaijan. The political developments that will result from the economic interests will be very important for Azerbaijan, which has attained its independence.

Later, in addition to informing Bill Clinton about developments in the Nagorno-Karabakh conflict, the Azerbaijani president used a map to show the results of Armenia's aggression. Aliyev informed him of Azerbaijan's position on the resolution of the conflict. The U.S. President stated that he welcomes the cease-fire, and added that, in addition to positively assessing the work being done on this matter, he supports the position of the Azerbaijani president.

Esteemed listeners, we want to point out that, in addition to positively assessing the work being done on this subject, the U.S. president stated that he supports Azerbaijani President Geydar Aliyev's position on the resolution of the conflict. He added that he would discuss these issues during his meeting with President Yeltsin in Washington today.

The Azerbaijani leader proposed the liberation of Shushinskiy and Lachinskiy rayons from the Armenian Armed Forces as a matter of principle. He announced that Azerbaijan does not oppose the creation of a corridor through Lachinskiy Rayon under international observers and that after the solution is found to these problems the status of Nagorno-Karabakh might be placed on the agenda.

The Azerbaijani leader's official visit to the United States is expected to take place in December of this year.

It must be noted that the prominent statesmen in the world now considers Azerbaijan's position regarding the resolution of the Nagorno-Karabakh conflict as objective and conforming with reality. In addition to noting that the Azerbaijani president is an experienced diplomat, Strauss, the U.S. ambassador in the former USSR and now the president of [name indistinct] law firm, said during the meeting with the Azerbaijani president that Aliyev is presenting his own resolute position and those engaged in serious diplomacy will have to agree with this position sooner or later. This problem was not created and cannot be solved overnight. That is why some time is needed.

Aliyev will meet the foreign ministers of a number of countries in New York today. He also will receive Chase Manhattan Bank officials. President Geydar Aliyev's visit to New York is continuing.

ECO Energy Meeting Held on Power Distribution

NC2709211894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 27 Sep 94

[Text] The forth session of ECO's [Economic Cooperation Organization] Committee on Cooperation on Energy was held [in Baku] today.

[Begin recording] [Reporter Shefayet Abdullayeva] Let us state for your information that this meeting of the Committee on Cooperation on Energy is being held with the participation of the Islamic countries. Representatives from various countries, such as Iran, Turkey, Pakistan, and Turkmenistan put forward proposals and programs on sharing energy between ECO countries and on meeting the demand in this sector over a long period.

The proposals on energy systems and gas transportation put forward by the Azerbaijan State Petroleum Company, and Azerenergy and (?Azerdar) companies were discussed.

[Ahmed Akcael, identified by caption as "energy minister"] An important aspect of this meeting for Azerbaijan and Turkey will be to bring the speedy construction of Baku-Ceyhan pipeline within the realm of possibility. In this way, the oil to be extracted by Azerbaijan will be transported to the Mediterranean and world markets. As important as this is for Azerbaijan, it will also benefit Turkey for having linked Azerbaijan with the Mediterranean and world oil markets. Turkey will also obtain its oil needs from here. [end recording]

National Assembly Debates Economic Deregulation

LD2709222894 Moscow Mayak Radio Network in Russian 1420 GMT 27 Sep 94

[Text] Here is a live report for Mayak from Baku. Our correspondent, Islam Kuliyev, has news of the National Assembly session, I believe. Over to you.

[Kuliyev] Quite right. Good day. A regular session of the National Assembly was held in Baku today. The deputies were to discuss six questions. At least there were that many on the agenda, each more complicated than the other. Virtually all of them, with few exceptions, can be described as crucial to the future of a state which has begun to develop the rule of law. This was noted by almost all members of the National Assembly. According to Rasul Guliyev, Azerbaijani National Assembly chairman, the liberalization of state control of the economy and private enterprise would on its own reduce prices by 30-40 percent. Furthermore, deputies noted, nobody has yet worked out how much material and moral damage work collectives of enterprises and organizations sustain as a result of endless checks carried out by various departments and ministries.

For instance, over 200 checks have been carried out across the republic during the last six months. Several billion manats were returned to the treasury as a result. But, deputies claimed, a lengthy check carried out at the Baku winery resulted in savings to the treasury of only one million manats, while the work force lost several million manats. Work at Aleksbank, a large association, has been halted for several months. All this, speakers noted, was affecting the public's well-being and contributing to excessive price rises.

After a protracted and very heated debate the National Assembly decided to liberalize state control of the economy and private enterprise. Furthermore, in order to explain the provisions of this important document to the public, the National Assembly asked the republican state TV and radio company to arrange several TV programs featuring lawyers and members of the National Assembly.

The National Assembly decided to discuss the remaining items on its agenda, which are no less controversial, at its next session at the end of the week. Here I conclude my report on today's session of the National Assembly. Goodbye.

Georgia

Shevardnadze Sends Letter to Parliament

LD2709151194 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 27 Sep 94

[Letter from President Eduard Shevardnadze to Rusudan Beridze, deputy speaker of Parliament; read by Beridze during parlamentary session—live]

Kalbatono [polite form of addressing females] Rusudan:

I have just been told about the contents of the address of Mr. Temur Zhorzholiani [chairman of the Georgian Conservative- Monarchist Party]. I think that the issue raised in his principled address requires a principled approach, consideration, and solution. My present morale does not allow me to attend the parliament sitting today. I made the decision today that the foreign minister [Aleksandre Chikvaidze] will lead the Georgian delegation to the session of the UN General Assembly.

For the head of state to resign, there is no need to run into the streets and stage demonstrations. The main thing is not to leave the country neglected. I will think tonight, and I ask every member of parliament to determine their position, and let us resume work tomorrow morning.

I will visit you tomorrow morning and make an announcement as dictated by my conscience. Elementary self-respect, honesty, and human ethics do not allow me to go on leaving almost every sitting of parliament smeared and soiled in mud. This should finish, this hell should finish.

Respectfully, Eduard Shevardnadze, 27 September.

P.S. Today is 27 September. The fall of Sukhumi was treacherously masterminded and engineered, and so is today's session of parliament.

Urges Council To Decide on Ouster

LD2709122794 Tbilisi IPRINDA in Russian 1100 GMT 27 Sep 94

[Text] Tbilisi [no date as received] (IPRINDA)—A session of the Supreme Councol on 27 September began with a debate on whether or not to hold a rally marking the first anniversary [27 September] of the fall of Sukhumi.

In this connection, Deputy Jaba Ioseliani addressed the Supreme Council. He called the war in Abkhazia a war on a voluntary basis [voyna na dobrovolnykh nachalakh] and said that such a war could lead to only one result: defeat. All the talks that are now under way will never succeed because only signing agreements is insufficient. One should work in order not to allow these agreements to remain just on paper.

In his address to the Supreme Council, Georgian President Eduard Shevardnadze said that it was entirely up to the council to decide whether or not to hold a rally. He said: "I personally do not know what to tell people at that rally."

The head of state also discussed the cease-fire agreement of 3 September 1992. He said that although it had also been signed by former Defense Minister Tengiz Kitovani and former Prime Minister Tengiz Sigua, he was being blamed for all of its consequences.

Shevardnadze then asked the council to decide once and for all whether or not he should remain in his post. He said: "I have already left once but you asked me to stay. I want you to make a decision now: either with me or without me, it does not matter. If you are citizens, if you are parliamentarians, and finally if you are real men, you must decide, and I will do what you say."

Opposition Attacks Shevardnadze Over Russia Accord

LD2709135394 Tbilisi SAKINFORM in Russian 1030 GMT 27 Sep 94

[Text] On 27 September it will be one year since the fall of Sukhumi. This was the first issue on the agenda of today's parliament session.

Representatives of the parliamentary opposition believe that the head of state should bear personal responsibility for the accords signed in Moscow on 14 May this year.

Georgian Defense Minister Vardiko Nadibaidze said the fourth clause in the agreement was "enslaving."

Boris Kakubava, chairman of the Union for the Liberation of Abkhazia, said that, in his opinion, all the agreements concerning Abkhazia should be declared void, the Russian peacekeeping forces should be withdrawn from the region, and Georgia should itself take measures to restore its jurisdiction in Abkhazia. He said that an unauthorized rally would be held in Tbilisi's Republican Square and invited Shevardnadze to come and listen to refugees' opinion about his policies.

'Free Georgia' Movement Seeks Shevardnadze Ouster

LD2709164194 Tbilisi IPRINDA in Russian 1500 GMT 27 Sep 94

[Text] Tbilisi (IPRINDA)—An authorized rally organized by the political bloc Roundtable—Free Georgia was held in Tbilisi on 27 September. About 1,000 people attended the rally, which was devoted to the first anniversary of the fall of Sukhumi. Participants in the rally were holding placards saying: "The alliance of Yeltsin, Shevardnadze, and [Abkhaz leader Vladislav] Ardzinba has destroyed Georgia." The rally was addressed by members of the former Supreme Council, who called on the participants to overthrow Shevardnadze and restore the Supreme Council.

Shevardnadze Resists Marking Sukhumi Fall Anniversary

LD2709164794 Moscow INTERFAX in English 1539 GMT 27 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Speaking in parliament Tuesday, the head of state Eduard Shevardnadze resisted opposition demands to hold a meeting in Tbilisi on that day to mark the anniversary of the capture of Sukhumi by Abkhaz troops (the fall of Sukhumi—a Georgian citadel in Abkhazia until September 1993—is traditionally associated with Georgia's military defeat in the conflict).

"What will this rally be devoted to? To Sukhumi's fall? To our defeat? And in general, what can be said at it? - Shevardnadze wonders. "If we believe that Abkhazia is lost for good, some date of general mourning should be set. But this is not so. All of us live by hope and should look for a way out of the situation we are in," he said.

Analyzing the reasons for Sukhumi's fall, Shevardnadze remarked: "At that time, such forces were committed into action that the Georgian army failed to withstand them. We did all we could, we went for many accords to avoid a disaster, and we might have persevered, if we had not been stabbed in the back, if there had been betrayal among ourselves." "By warrants from various figures, one battalion after another left their positions. All that was happening before our eyes," he added.

In his concluding remarks, addressing the opposition, Shevardnadze strongly demanded that unfair verbal attacks on him be stopped "and the issue on a resignation by the head of state, who is accused of all ills, the route in Abkhazia included, be settled once and for all."

IF Note: In experts opinion, Shevardnadze implies a motion of non-confidence in Georgia's leader to be put for vote in parliament. Earlier, the opposition has repeatedly proposed a vote of non- confidence in Shevardnadze and government, however, the proposal has never proved popular with most deputies.

Shevardnadze is convinced that there is now a chance to settle the conflict by peaceful means. What was started should be seen through with parliamentary assistance and otherwise, he believes.

After Shevardnadze's address, lawmakers decided to continue the debate on Abkhazia behind closed doors.

Cooperation Protocol Signed With Russian Delegation

LD2709223394 Moscow ITAR-TASS in English 1824 GMT 27 Sep 94

[By SAKINFORM Georgian News Agency correspondent for TASS]

[Text] Tbilisi 27 Sep (TASS)—A working Georgian visit of a delegation of the Russian Ministry for Affairs of Nationalities and Regional Policy headed by Deputy Minister Valeriy Shamshurov ended here today with the signing of a protocol on intended cooperation.

The cooperation will focus on the return to Georgia from Russia of Meskhetian Turks and other individuals deported from southern Georgia in 1944. A working group has been set up to develop corresponding governmental agreements.

Parliament To Meet 29 Sep; Police Presence Nearby

LD2809104094 Tbilisi IPRINDA in Russian 0950 GMT 28 Sep 94

[Text] Tbilisi (IPRINDA)—In connection with the events that took place at the session of the Georgian Parliament on 27 September, there has been a large concentration of law-enforcement officials near the parliament building since this morning.

The press center of the Georgian Parliament has reported that the parliamentary majority [faction supporting Shevardnadze] will meet at 1400 today, while a session of parliament will be held on 29 September.

The Georgian head of state's press secretariat has reported that on 28th September Head of State Eduard Shevardnadze met the Iranian ambassador [passage indistinct].

Militants Massing Near Zugdidi; Provocations Expected

LD2809112194 Moscow ITAR-TASS in English 1054 GMT 28 Sep 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi September 28 TASS—Two thousand Georgian militants have massed near the town of Zugdidi and the village of Khurcha in western Georgia, the Abkhazian Information and Press Ministry reported on Wednesday.

According to the source, the Georgian forces may commit acts of provocation in Abkhazia within the next few days.

The situation in the Gali region remains tense. On Tuesday, a police unit based in the village of Nabakevi was fired at from a grenade launcher and automatic guns. Three Abkhazian policemen were injured. On the same day, a cross-country UAZ vehicle came under fire near the village of Mukhuri in the Gali region. Eight residents of the region were killed, the ministry reported.

Estonia

Polish Defense Minister Cancels Visit

WS2709153294 Tallinn BNS in English 1403 GMT 27 Sep 94

[Text] Tallinn, Sep 27, BNS—Polish Defense Minister Piotr Kolodziejczyk has for so far unknown reasons called off his visit to Estonia, which was scheduled to begin today, the Estonian Defense Ministry told BNS.

Government spokesman Ain Saarna voiced in an interview with BNS the opinion that the visit may have been canceled because of the vote of no confidence in Prime Minister Mart Laar yesterday, which the premier lost with votes 60-27 and one abstention.

The Polish minister was scheduled today to meet with his Estonian counterpart, Enn Tupp, and sign an agreement on cooperation between the two countries' defense ministries. He was also to have a meeting with Laar and parliament Deputy Chairman Tunne Kelam.

Laar's Pre-Vote Address to Parliament Detailed

WS2709150094 Tallinn BNS in English 1005 GMT 27 Sep 94

[Text] Tallinn, Sep 27, BNS—Prime Minister Mart Laar, addressing parliament for the last time before the confidence vote yesterday, asserted that few Central and East European states could boast achievements on a par with Estonia's.

"We've shaken ourselves free of dependence on the East and turned decisively towards the rest of Europe," Laar said. "To carry out reforms, we've had to make many hurtful and unpopular decisions. The ruling coalition has had to pay a high price for them."

Laar said the work of the outgoing government wasn't easy, principally because, especially in its first six months, it had to act in a situation when radical decisions had to be made quickly, while there were no laws to regulate its activity. "Thus, the government as well as the prime minister had to grope their way in a situation that was to a certain degree indefinite," the premier explained.

The first Estonian postwar premier to win his post through free elections said that the government ruled on the arms deal with Israel, the sale of Russian ruble banknotes withdrawn from circulation during Estonia's monetary reform of 1992, and other nebulous affairs he was accused of, within its first six months in office. Laar's government was sworn in in October 1992.

"Subsequently we can draw the conclusion that the government's situation would certainly be much easier now if we had given up decision-making and simply remained sitting idle, referring to lack of legislation," Laar said. "We see the results of such action or, rather, nonaction in several countries where the development of the economy and the state has stopped instead of making progress. We decided to take risks and chose the path of quick decisions and quick development."

Laar said he didn't regret the decisions the Cabinet majority made. "I don't regret that we managed to break the one-time embargo on the sale of arms to us and equipped our defense forces with modern weapons. I daresay the said agreement in its time made the world take more seriously notice of the Estonian state."

The outgoing premier also declared he didn't regret the Monetary Reform Committee's decision to sell the Russian ruble banknotes his predecessor Tiit Vahi's government had promised to return to Russia. Laar said the money actually belonged to Estonia. "The only thing we might regret is that the sale of rubles didn't take place sooner, as Estonia lost more than 100 million kroons because of that," he claimed.

Commenting on the Lekto company's potato loan, Laar said he was still convinced that southern Estonia needs a proper potato processing plant. "As regards the concrete business plan, I'd like to remind you that I gave it my backing after the parliament had dropped it from its agenda—not turned it down—and therefore I can't with the best of wills alone shoulder the responsibility," he said.

The premier admitted both the Cabinet and he himself had made mistakes in office, adding that the government must take responsibility for its mistakes.

"One thing is clear, however—Estonia has changed beyond recognition over the last two years," Laar asserted. "Two years ago, independence was more a declaration than a reality, but today we can say with an easy conscience that the Estonian state exists."

Laar noted in his speech that it would take only a few populistic decisions to destroy the progress made in Estonian economy. He named under that heading introduction of customs barriers, restoration of state subsidies, and raising of taxes.

"Yet clearly the most difficult decisions have already been made," the outgoing prime minister said. "I'm convinced that the following governments will no longer have to act in such extreme situations and therefore make such controversial decisions."

In Laar's words, Estonia has become a normal civilized society and the government will no more have to sail uncharted waters. "This would in principle allow the present government to continue until the regular elections and then hand power over to a new government," he claimed.

Laar maintained the parliamentary opposition had come up with neither a positive program nor its own candidate for the premiership. "Candidates for the head of government who come from the ranks of the ruling coalition or the present government and who, besides, haven't consented to take the job, can't be regarded as the opposition's candidates," he said. "To make it clear where we stand, I must say that ministers who belong to Pro Patria can play no part in governments of this kind proposed by the opposition."

"Watching the course of events, it seems that in the right are those observers who maintain that some candidates' names were trotted out only with the aim of drumming up more signatures to the statement calling for the confidence vote and that the real contenders for the (premier's) post will be disclosed only after the government falls," Laar continued. "This opinion seems to be borne out by several populistic bills proposed for consideration in parliament, beginning with postponement of housing privatization and ending with a sharp increase in pensions. If they are passed, it would mean a turn to the left, which is why the government decided not to take note of all sorts of ultimatums and finish its work."

Laar said before the confidence vote that the Estonian people must see who those concrete members of parliament are who assume responsibility for overthrowing the present government. "I believe this will in any case bring more clarity into today's Estonian politics."

The outgoing prime minister said he was certain that the change of government wouldn't bring in its wake any major crisis. "This, of course, holds if a left-wing Cabinet doesn't come to power," he added.

Laar asserted the situation in Estonia was stable and so the power could pass into new hands peacefully. "We've a balanced budget, inflation is under control, the annual economic growth rate according to the latest estimates of the Bank of Estonia amounts to eight percent," the premier pointed out. "Also, Russian troops have left Estonia and the dismantling of the Paldiski nuclear reactors proceeds normally."

The outgoing premier said the Cabinet's working plans covering the period until the upcoming elections had already been fixed and that bills would be reaching the parliament on time. He promised the government would this week send down the draft for the next year's state budget.

"It was a dirty job, but someone had to do it," Laar said in English in conclusion.

"I'm glad history gave me the chance to be Estonian prime minister in those years when the truly independent Estonian state turned from a dream into a reality," were his last words.

President Declares Day of Mourning Over Ferry Accident

LD2809102894 Tallinn Radio Tallinn Network in Estonian 0700 GMT 28 Sep 94

[Address by President Lennart Meri to the nation over the sinking of an Estonian ferry in the Gulf of Finland on 28 September—recorded]

[Excerpts] Dear compatriots! A grave disaster fell upon the Republic of Estonia this morning. At 0124 hours the Estonia passenger ship on her way from Tallinn to Stockholm under the Estonian flag sent out an SOS signal in heavy storm in which the ship found herself 30 nautical miles northwest of the point of Tahkuna [northwestern tip of the island of Hiiumaa]. [passage omitted]

As the government's crisis commission was not working at night, I called in employees of my administrative office for a crisis headquarters under the chairmanship of Tarmo Mand, director of the presidential office, and Vahur Glase, a legal adviser. Five Swedish and Finnish passenger ships are taking part in the rescue work in difficult storm conditions, as well as five Finnish and eight Swedish helicopters. At five in the morning an Estonian rescue services helicopter took off and went to the place of accident.

According to preliminary information, there were 679 passengers and 188 crew members on board of the Estonia, which is 867 in total. Of those, 444 were Swedish passengers; there were 30 Swedish and one Finnish crew member.

At 0420 hours the Estonia sank at the location of 59.21 degrees north latitude and 21.42 degrees east longitude within the Finnish rescue zone [as heard].

I ask for all Estonian doctors and doctors of Hiiumaa in particular, as well as hospital personnel, to be ready to receive those who suffered in the accident at sea. As far as I know, 40 people had been rescued by 0530.

I have voiced my gratitude to the rescue services at Turku and the ship's captain [as heard] on behalf of the Republic of Estonia. Rescue work continues in difficult weather conditions. I have given orders for an independent commission to be set up to investigate the circumstances surrounding the accident and the activity of the state apparatus. I declare it to be a day of mourning, and I ask for state flags to be flown at half-mast until sunset. On this day we all support in our thoughts and actions those in whose homes there is sorrow.